

1912 - 2022

# BASHAM, RINGE *y* CORREA

110 YEARS IN THE HISTORY OF MEXICO



BASHAM,  
RINGE y  
CORREA

1912 - 2022

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**BASHAM** 1912

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*Basham, Ringe y Correa, 110 Years in the History of Mexico*  
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***T**his book would not have happened without the inspiration of those whose talent, vision and commitment made and make the Firm a synonym for legal excellence and unswerving dedication to the defense of its clients' legitimate interests.*

*Thanks to our many clients and friends, and to their trust and loyalty, we can celebrate the Firm's first 110 years of life.*

*The Institution as we know it today would not have been possible without the help and devotion of our administrative staff. They have been true anonymous heroes and this book is but a token of our gratitude for their invaluable efforts.*

*This book is especially dedicated to the fond memory of Herman Kiehnle Zárate and Jorge Vega Sotelo: two exceptional persons and lawyers who unfortunately passed on very young, shortly after becoming partners. We miss them.*

## INTRODUCTION

How should we narrate the story of a law firm that's about to hit its 110<sup>th</sup> birthday, a remarkable feat in itself? Should we stick only to the cold, hard facts, or “achievements” (the thousands of cases handled, the issues involved, the outcomes), and end up with a lengthy and tedious account? Should the professional success of the Firm's lawyers be the guiding principle of the narrative? (If so, we'd have to omit the moments of urgency, necessity, and excitement that they experienced). Or should we mention, as well, the lawyers' zealous and emotional approach to their clients' and their counterparties' interests?

Faced with two possible narrative lines (a restrained chronicle of the Firm's transformation, and a description of its essence) to explain its persistence, integrity, and inventive strategies amid domestic and international strife, and aware of how difficult it is to convey in full the concentration, determination, and diligence that the Firm's lawyers devote to finding solutions to legal and in some cases non-legal problems, we decided to follow both lines: without breaching the lawyer-client privilege, we will, where possible, describe the impassioned efforts of those who throughout 110 years have shared interests, workload, needs, joys, and, frequently, frustrations, and at the same time underscore the professional zeal that has been the Firm's hallmark.

Basham, Ringe y Correa's turning into the leading law firm in Mexico is better explained by the talent and ingenuity of the lawyers that shaped its identity, longevity, and permanence, as exemplified by its vigorous excellence and inexhaustible innovation: it's been a quality school, a forger of talents, a host to brilliant interns and exceptional persons, lawyers, and professionals whose decency and strength built its essence.

This book pays homage to those whose generosity, talent and tenacity shaped the leading law firm in Mexico – a lore of professional virtues, a source of legal innovation and loyalty to its clients.

*Paulino Olavarrieta Uralde*



## FOREWORD

No sooner had we envisioned the possibility of writing the story of a truly unique law firm not only in Mexico but in Latin America, than we realized that the task, which at first seemed very easy to carry out, was not so: we found that it was difficult to encompass in a single concept or idea everything that Basham, Ringe y Correa has represented in Mexico's history, and especially what it has meant to those of us who have been fortunate enough to be a part of this great Institution.

So, let us start by remembering the opportunity we and many others had when we joined the Firm, an institution that has trained and taught countless talented lawyers. Like our predecessors in the Firm, most of the current partners joined the Firm when they were still law undergraduates — a few joined the Firm when they were already lawyers. By joining the Firm, we were fortunate enough to revel in the expertise of our colleagues in a multidisciplinary team so characteristic of our Firm.

We cannot ignore the importance of this learning process: In the Firm, we learn every day something of the vast Mexican legal culture and of the problems that applying it entail. We are aware that we must keep on applying the principles we learned from the ethical practice of the legal profession.

We believed that we should narrate the facts of major cases that we have handled on our clients' behalf throughout these eleven decades, and so the book lists some of the many cases and their outcomes, but we also thought that it was important to narrate the activity which, intertwined with these specific cases and the historical transformation, has allowed us to mitigate and sometimes correct injustices that have come about throughout this time in our beloved Mexico. In this book, the reader will confirm the extent of the effort that in different periods and consistent with the circumstances that the Firm went through, each lawyer put to reduce the injustice so common in a system which is still indebted to our Nation. We must say it clearly: we are immensely proud of the legacy left us as an example by our predecessors, including the founding partners, the persons that brought continuity to the Firm, and our teachers.

In these hazardous times of a long pandemic that befell the whole planet, we have also been most importantly motivated by the example of our predecessors who successfully faced the huge challenges of their times: an armed revolutionary movement, the Great Depression and other economic and social phenomena that deeply affected the Mexican population. We do not forget this, and we will always keep it in mind.

We also mention the social work discreetly and efficiently carried out by Fundación Basham: for a long time, we have been the leaders in aiding unprotected groups that call for so much help. The partner's empathy for such groups has turned us into a law firm with a higher-than-average number of senior employees. Some Firm staff members have worked non-stop for over fifty years. Funds were created and maintained for decades, based on the vision of those who preceded us, which are used to pay to each retiring staff member a pension above the pension mandated by Mexican law.

We are proud to have met the ideal that personal effort be the factor that determines a person's growth in the Firm. There have been instances in which some—but by no means few—members of our administrative staff showed interest in the legal field,

## ACKNOWLEDGMENTS

decided to study law and upon graduation switched jobs in the Firm to practice their profession. Advancing its lawyers based on their dedication, and regardless of their ethnic or socioeconomic status, or gender, is part of the Firm's essence. The rule of not allowing partners' relatives to work as lawyers in the Firm and that the partners necessarily retire upon turning sixty-five, has assured the Firm's mobility, growth, and renewal.

Finally, and paraphrasing George Bernard Shaw, we want to make the splendid torch, which is Basham, Ringe y Correa, to burn as brightly as possible before handing it on to future generations. Hopefully, in 2062, when the Firm turns 150, the members of this long living and reliable Firm experience the same emotion and passion that overwhelm us due to the achievements that have taken place during our struggle for justice through law.

Mexico City, Spring 2021

This book was written based partly on George Graham Glascock's book, *Basham, Ringe y Correa en la historia de México*. Glascock spent hundreds of hours reviewing historical events related to the Firm, including the lawyers' "diaries." Such diaries give their readers a glimpse of how their authors viewed and experienced the historical events that they went through and serve as lessons and examples for the next generations. Later reviews of the past helped us to enhance that initial work.

The outstanding efforts of all the Firm's lawyers were crucial to write this book, and to help Basham, Ringe y Correa to reach the age of 110. They have nourished the narrative of the events itemized in the book.

This book would have not been completed without the contributions of exceptional retired partners with whom I spent time and spoke: Adolfo Tena Morelos, Paulino Olavarrieta Uralde, Pedro Gil Elorduy, Ignacio Orendain Kunhardt, Jorge Gómez Saldaña, Javier Fernando Becerra Hernández, Héctor Calatayud Izquierdo, Guillermo Aguilar de la Torre, Luis Ortiz Hidalgo, and Ricardo Hernández Garfias.

Most particularly, the partners' participation in the cases and events of the last decades was invaluable. Their achievements have been so many, that I am sure that they will help the Firm go far in this Twenty First century.

My heartfelt thanks to Adriana Gil Maroño, PhD, a historian who reviewed the historical records of the Firm and contributed many ideas; David Maawad Velásquez, for his extraordinary editorial work; Víctor Hermosillo, for translating this book into English; the staff of the Firm's Public Relations Department; and finally, my assistants Lucía López Durán and Beatriz Alejandra Márquez Martínez, whose support was fundamental to complete the work that the reader has in his hands.

*Francisco J. Tiburcio Celorio*



## THE STORY BEGINS

1912-1921

*An account of the time occupied in personal and social matters, as also incidental and minor services for which no charges were made, has been purposely omitted. My sole object has been to preserve a private Business Diary of time well spent.*

Harvey A. Basham  
Introduction to his 1916 diary

Since its inception in November 1912, barely two years after the outbreak of the Revolution, Basham, Ringe y Correa's life has been inextricably intertwined with that of Mexico. 1912 is the prelude to a bloody decade in Mexico that will have dramatic social, political, and economic consequences. Mexico was not alone: that year, the millenary Chinese Empire ended, the Balkan Wars broke out, which preceded the First World War, and Woodrow Wilson was elected president of the United States (he would later play a critical role in Mexico's economic and political life). It is also the decade of inventions that would plunge millions of homes in the planet into mourning, such as the battle tank and the synchronized machine gun that enabled pilots to shoot from airplanes.

The political and social conditions of Mexico that year presaged an uncertain future. Porfirio Díaz had resigned his presidency in 1911 and the thirty-five years of relative calm that characterized his government were about to end. The recent armed uprisings throughout the country and Francisco I. Madero's political platform heralded troubled times.

Law practice in Mexico was not good. According to Lucio Cabrera, *true lawyers were a tiny minority... Their number increased a little during Porfirio Díaz's regime, albeit not significantly. Hence most of the population was deprived of qualified legal aid; in other words, they had no access to justice in local or federal matters with due legal representation.* During the *Porfiriato*, the widespread belief was that only generals, bullfighters and foreigners "could expect justice from the courts of law."

Eduardo J. Pallares, an eminent jurist who, with other notable scholars, founded the Escuela Libre de Derecho in January 1912, described the law practice environment in a remark addressed to the Ministry of Justice [*Secretaría de Justicia*]: *The most powerful checks and balances tools that the administration of justice has in civilized nations are not available in Mexico; their absence is felt by the hardly moralizing role played by that public administration. It is impossible to make progress in proceedings without bribing lower-ranking employees; this practice is universal, constant, inevitable in the Mexican forum.*



Members of the federal army unloading ammunition, Mexico, ca. 1913. © INAH MEDIA LIBRARY

*The higher-ups are aware of this... Such a shameful custom is due to three main factors: the natural human greed, the scant number of employees, and the dreadful organization of the courts of law and the proceedings... Pallares went on: We believe that the direct cause of the decadence of our administration of justice is, first, the Judicial Branch's lack of independence, its subordination to the Executive Branch to a greater or lesser extent.*

In early 1912, when the partners of Warner, Johnston, Galston & Wilson decided to close shop in Mexico and leave the country, Harvey A. Basham, an American lawyer working there, far from being scared by the chaos and confusion caused by an armed movement that caused close to one

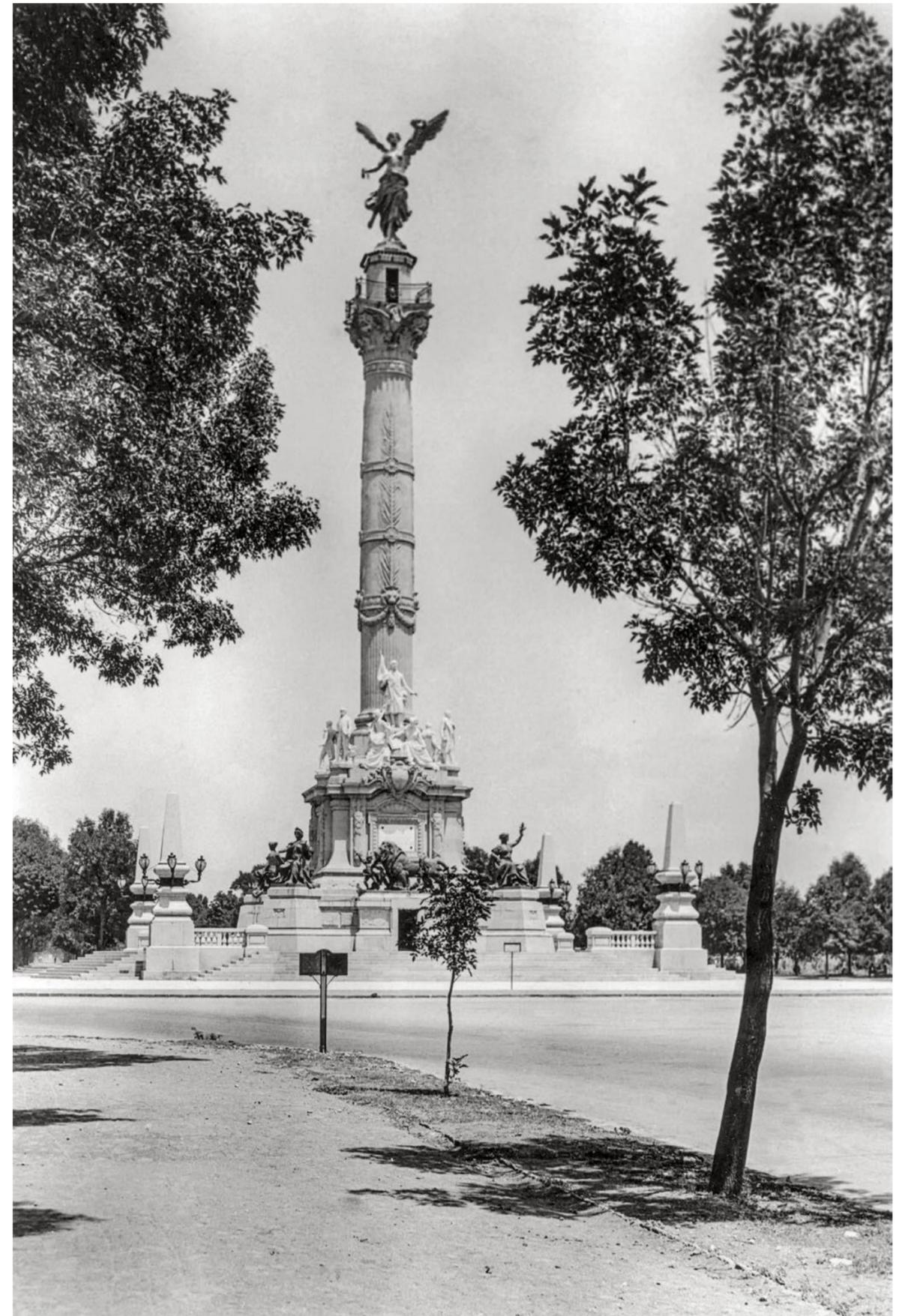


Harvey Basham and Ralph Ringe at their offices, Mexico City, 1920.  
 PHOTOGRAPHY: H. F. SCHLATTMAN.  
 © BASHAM, RINGE Y CORREA, S.C.

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 Independence Column, Mexico City, ca. 1912.  
 PHOTOGRAPHY: HUGO BREHME. © INAH MEDIA LIBRARY

million dead, saw in that dramatic scenario a propitious occasion for his professional advancement, and boldly decided to remain in Mexico and form his own law firm. His decision was emblematic of his personality, as it would mark his trajectory as a lawyer and his ability to function in the confusion of events, interests and personalities prevailing in those years. Thus, the identity and destiny of Basham, Ringe y Correa is linked from the outset to Basham's decision to stay.

Basham was born in Alabama in 1875 and was raised by parents who endured the American Civil War. He arrived in Mexico in 1903, registered the





Coca-Cola trademark and other trademarks and sought to form a law firm with local and foreign lawyers, went back to the U.S. and finally came back to Mexico in 1907 with his wife. He left behind his law studies in Alabama under very harsh conditions, as well as his initial practice in Oklahoma, which at the time was known as “Indian Territory.”

Due to the closing of Warner, Johnston, Galston & Wilson, Basham retained important clients (especially American companies), which in this chaotic context asked him to keep on handling their business in Mexico. Although his old-time contacts with government officials hardly would be of any use in the new scenario, time would confirm his fortitude, energy, and political skills.

Basham set up his law firm in the building of the Mutual Life Insurance Company (at the time known as La Mutua) on 5 de Mayo Street (the building where Banco de México is now headquartered), with a small team of collaborators but with a resoluteness that would be strengthened in complicated and dangerous conditions, as shortly thereafter Mexico would turn violent and unstable. Next to Basham’s office there was but a waiting room with a secretary-receptionist that handled the primitive telephone exchange (during the short moments of service) and an assistant who went to the telegraph and post offices to receive and send out messages and mail to clients to report on the situation prevailing in Mexico and the efforts that the Firm was making to protect their interests.

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Harvey A. Basham set up his first office at La Mutua building, Mexico City, ca. 1920.

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Banco de Londres y México building where Banco de México was first established, ca. 1925.

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Mexico branch of the Remington Typewriter Company, Mexico City, ca. 1920.  
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William Randolph Hearst, Mexico, ca. 1912.  
© INAH Media Library



At that time, contact with clients abroad was patchy. Basham reports that mail between Mexico City and abroad took months and was frequently delayed in Veracruz because the railways were blown up in several stretches. On some occasions, the authorities checked the communications network and suspended the service without prior notice.

Harvey A. Basham was tall and slim, easy going, and witty, and endowed with a lively intelligence and a strong character. He was friendly, and professional ambition led him to befriend prominent local and international businesspeople, such as John D. Rockefeller and Lord Cowdray, owners of big oil companies that Basham represented. Lord Cowdray and his wife founded the British Hospital, which became the American British Cowdray Hospital, better known as Hospital ABC.

In those years and in the following decades Basham's many interests would be based on two fundamental notions: The first notion was professional and was linked to the expansion of U.S. companies in Mexico, with investments which at the time amounted to over one billion dollars, and an ever-growing role, due to the country's changing circumstances. At the time, over three thousand U.S. citizens lived in Mexico. The second notion was social and cultural: Basham, as most of his fellow citizens in Mexico, sought to be faithful to his roots. To this end, he cultivated relationships that he deemed useful to practice his profession; this led him to become a middleman of economic and trade relations between both countries. It comes as no surprise that he had strong ties with U.S. citizens residing in Mexico, including the U.S. ambassador, and that he participated actively in organizations such as the American Benevolent Society,



the University Club, the American School, and the American Red Cross, besides fostering direct ties with prominent U.S. government officials in Washington.

Amid Mexico's political and social chaos, Basham engaged in maintaining and recovering property of American companies, keeping their accounting records, filing tax returns, and paying taxes, registering and renewing their trademarks, and keeping their patents in effect. These tasks involved hazardous interventions such as recovering wagonloads of explosives that had been seized by *Zapatistas*, an industrial plant in Aguascalientes in the hands of *Villistas*, and even some mules stolen by revolutionaries in Monterrey. Basham also provided services to numerous foreign clients such as The Coca-Cola Company, E.I. Dupont de Nemours, United States Steel (the first company in the world to have one million employees), American Smelting Co. and the ever-powerful Hearst family, among many others. With The Coca-Cola Company and E.I. Dupont de Nemours, the Firm established a relationship that has lasted decades.

In 1914, after the assassination of Francisco I. Madero and the ascent of the dictator Victoriano Huerta, Francisco Villa defeated the federal army in Torreón and headed for Mexico City. This and the landing of American troops in the port of Veracruz, plunged the country into a profound chaos. At the same time, the world was shaken by the assassination of Archduke Franz Ferdinand of Austria at Sarajevo, which triggered the First World War, whose repercussions extended beyond European borders. In Mexico, it affected English, French and German investments, especially those in the oil, mining, and railway industries; the gold standard was abandoned, and

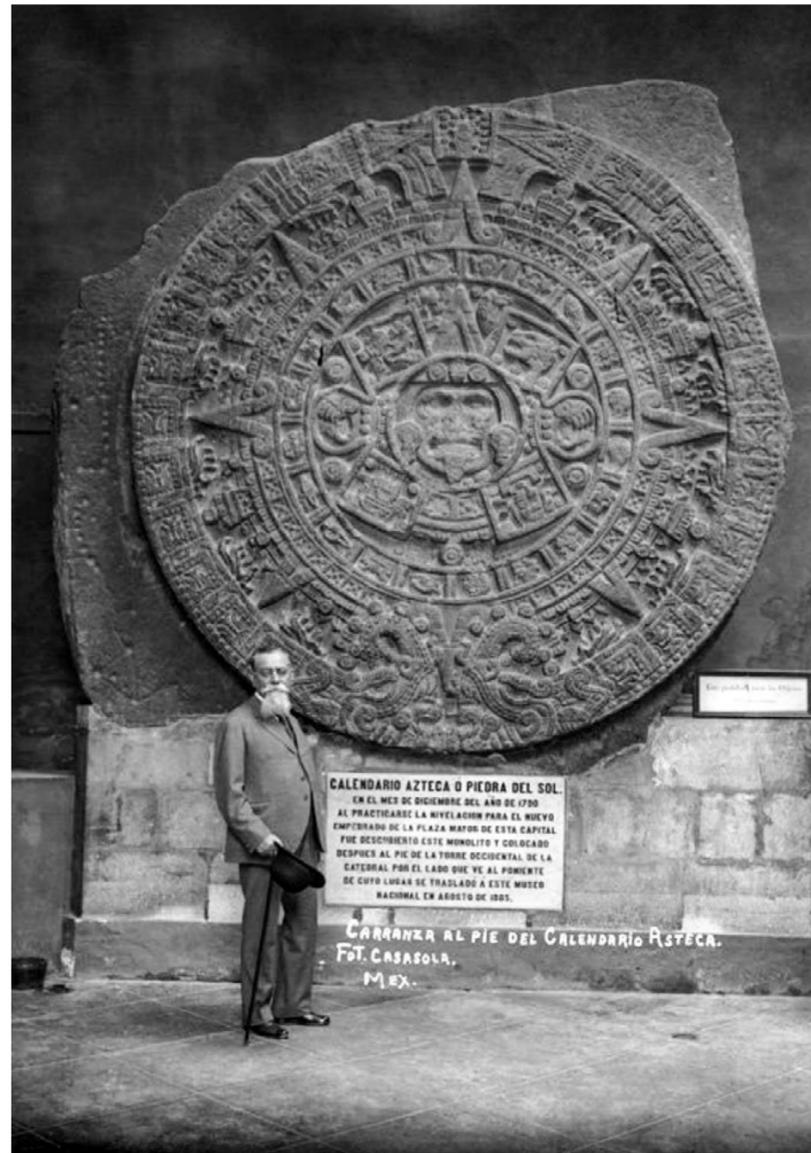
U.S. troops in front of the Faros building, Port of Veracruz, 1914. © INAH MEDIA LIBRARY

a 2000% inflationary spiral ensued; the government stopped service of its foreign debt and investment capital practically disappeared.

The trademark registration and renewal fees, patent maintenance fees and collection fees helped Harvey A. Basham to keep the Firm afloat; since most of his clients were foreigners, on occasions he negotiated the payment of his fees and expenses in gold or foreign currency to offset the loss of value of paper money issued at that time.

By 1915, Mexico had a population of ten million (six hundred thousand in Mexico City) and over three thousand American businesses. The United States recognized Venustiano Carranza's government. By this time, at his new offices on Gante Street, in the building where the noted anarchist Ricardo Flores Magón also worked, Basham kept on dictating a professional activity report (i.e., the inventory of hours devoted to the cases he handled), in which he also noted his impressions of what was going on in the country. Consequently, the value of this document transcends the simple professional report, as it depicted everyday life, political events and official acts, conflicts, and contradictions, as well as the people's suffering.

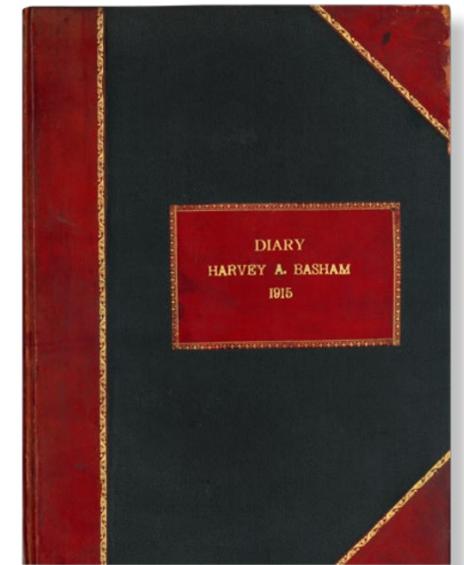
Venustiano Carranza in front of the Aztec Calendar, Mexico City, 1913.  
© INAH MEDIA LIBRARY



It was a record from the perspective of a lucid observer of that historical moment. Basham described the most varied situation affecting Mexico City: he was a witness to the profound misery that afflicted the population, recorded how difficult it was to reach his office due to the circumstances prevailing in the city streets, and his attempts to help abandoned children. In his Diary, he reported on the status of the armed struggle, and analyzed what was published on the newspapers (especially on English language newspapers, such as the Mexican Herald); he kept in touch with foreign correspondents, keenly commented the goings on of Mexican politics, and described the individuals involved in the conflict. It was more than a list of problems faced by his clients, and his recommendations to solve them.

Here are some notes taken from his diary for 1915:

Mexican revolution so far does not represent the struggle of the people for liberty or democracy, but it does represent a struggle of certain political leaders of the middle class whose sole ambition and object are to satisfy their personal interests. These principal chiefs attain these objects through murder, plunder and robbery committed in the name and for the benefit of the people... No improvement or betterment of the people can result from the leadership of this revolution, nor can any permanent government be established. They have committed crimes and robberies under the cloak of liberty and democracy until the people believe that liberty means license and socialism means to take by force what one may wish, and that it all means democracy. (January 20)



Cover of Harvey A. Basham's diary, 1915.  
© BASHAM, RINGE Y CORREA, S.C.

Rural mounted police in front of the Alameda Central in Mexico City, ca. 1914.  
© INAH Media Library





During the famine in Mexico City, men, women and children wait on the unloading platforms for the arrival of food, 1915.  
© INAH Media Library

...From all this, it is safe to state that so long as revolutions continue, the condition of the native will grow worse... we now have three presidents exercising executive powers in different parts of the Republic. There are four armies in the field under leaders who have distinct platforms... but their ambitions are the same. (January 23)

168 priests have been imprisoned because of their failure to raise 500.000 pesos, as demanded by General Obregon. (February 19)

The public was greatly surprised and agitated today over a special decree issued by General Obregon requiring the payment within three days of a tax of 1/2 of 1% on all capital, business, and property. The bandits hope to obtain several million pesos as the result of this decree, the decree states that this money is to be raised for the poor, which, of course, is a deception. The 200 merchants that gathered at Teatro Hidalgo to protest the tax have been arrested. (February 23).

The people are very hungry and living necessities growing scarcer. The situation is almost intolerable, and it is not expected that order can prevail in the city very many days. The Zapatistas continue to fight in the suburbs... (February 24)

...At a meeting today of the American Society we arranged to telegraph an order for supplies for Americans to be sent down under the auspices of the American Red Cross, which has established a branch in this City.

The food situation is growing most serious. It is estimated by the Red Cross that there are not food supplies in the City sufficient to last the general public longer than one more week. (July 20)

For the first time in my life, I saw today a woman and a man die of starvation. They fell on the street. It is a sad experience to be in the living presence of death by starvation... It is said from authoritative sources that from 25 to 50 are dying daily for want of food... (July 28)

...It is difficult just now to form any idea as to who is in power except when the water is turned and we know the Zapatistas have not left the city, as they always cut it on leaving. We have had water for a few days interrupted at intervals. Several automobiles and private carriages have been taken by force from foreigners by the Zapatistas in order that they might make a hasty retreat when the noise of shooting approaches nearby... (July 31)

The Carrancistas entered today for the second time during the past ten days and took possession of the city. Fighting took place in the principal streets and several people were killed, including Marshall Miller, a prominent English architect who was shot through the head by a stray bullet. The poor people in the bread lines endeavored, by rushing about through the streets, to get protection from the bullets which were passing in all directions... (August 2)

...It is pitiful to see these people who come to your doors at all times of the night and day, thin and emaciated from hunger, begging for a

1915, the year of the famine and food rationing in Mexico City. © INAH Media Library



piece of bread or anything. The children will follow you as you leave the restaurant or hotel in crowds of 10 to 100 imploring with pitiful cries for something to eat. I give daily to a number of people, but my means do not permit me to contribute as much as I would wish. These scenes are almost unendurable to me and touch every man who has a heart to the quick. (August 5)

The American Red Cross is now feeding about 25000 daily. (August 16)

...in fact, I have seen them take the body of a horse near my house, and which had just died, dividing up same quickly among them... they are eating dogs and cats. (August 20)



Worker and peasant demonstration, Mexico City, ca. 1925. © INAH Media Library

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Harvey A. Basham's diary page, listing Mr. George Braniff as client of the Firm, July 13, 1915.

© BASHAM, RINGE Y CORREA, S.C.

The adverse economic and political conditions notwithstanding, between 1910 and 1915 the oil industry in Mexico grew an astonishing 800%. Consequently, the Firm multiplied its activities, increased its client roster, renewed patents issued during the Huerta administration that had been cancelled, took steps to recover a wagonload of explosives that was seized from E. I. Dupont de Nemours Powder Company, and secured a tax refund for Cinco Minas Co. By this time, the Firm had a private secretary, a stenographer and a messenger. We proudly remember that Mr. Gonzalo Guzmán, who at the time was the messenger then earning forty pesos per month, eventually became the coordinator of the patents and trademarks area for several years.

#150

DIARY 1915

July 13

CIA. INGENIERA IMPORTADORA Y CONTRATISTA, S. A.  
CIA. HACIENDA Y COLONIA DE JALPA, S. A.  
SOCIEDAD DE BIENES Y EMPRESAS, S. A.

Was informed by Mr. Araiza that Mr. Gonzalez desires to liquidate the mortgage on the building in favor of Mr. George T. Braniff. Called at the office of the notary and examined this mortgage, which runs until next September, 1916, but according to the terms it might be possibly liquidated, as the date of maturity is not fixed as absolute and forzoso for both parties. However, I explained to Mr. Araiza that as Mr. Braniff would not wish to accept the liquidation of this mortgage, I should be placed in a very delicate position, as the representative of the Company and also of Mr. Braniff, and that we must try and arrange with Mr. Gonzalez to defer payment until it is due. Examined minutes prepared by Mr. Araiza and which I took to the notary, referring to our last meeting of yesterday in which the stockholders present ratified and authorized the sale of the building.

KERR GODDARD & CO Delivered to Mr. Goddard copy of the charter which I have prepared for the organization of the new company in order that the parties interested might study over same.

BRANIFF, Mr. George Talked with Mr. Lascurain. We decided it would be very dangerous for us to break the locks of the Hotel under present circumstances without securing authority from police head quarters. Consequently, I went to the office of the Inspector General de Policia, and after explaining the situation to the authorities they agreed that if I would present a certificate from the Minister of Brazil to the effect that Mr. Braniff is an American and is owner of the property, that they would appoint two persons as per my request to go to the hotel and take charge of the furniture left there by the Junta de Confiscaciones and belonging to other people. In handling this matter very tactfully we hope to get possession of the hotel within the next day or two. We talked with Mr. Snodgrass, an American highly recommended to take charge of the hotel. We will have to pay him a small salary for his remaining there all the time and in order to insure that none of the authorities will enter or occupy the hotel again. Called on the Brazilian Legation to get certificate referred to, but the Minister was not in. Prepared ocurso to the Inspector General de Policia which Mr. Lascurain and myself very carefully arranged in order not to compromise our client in any sense.

BUCKEYE ELECTRIC LAMP CO Prepared call for meeting of stockholders of company to be held on last day of this month; also minutes of directors' meeting making provision for said call.

THE AMERICAN SOCIETY Attended meeting of Finance and Publicity Committees, of which I am a member.

POLITICS The Carrancistas today obtained possession of Xochi-

In those years, George T. Braniff, an important client, contacted the Firm. Braniff was a member of an Irish American family residing in Texas and the future founder of Braniff Airways. Braniff was the owner of Hotel Imperial on Paseo de la Reforma (where it still is) and Hacienda Rancho Viejo, near Acámbaro, Guanajuato. The first task he entrusted to Basham was to repossess the hotel from the *Zapatistas*; to achieve this, Basham resorted to a skillful strategy: he convinced the American Red Cross to show interest in occupying the hotel to set up its provisional headquarters, as he was aware that any attempt to eject its occupant would cause an international incident that none of the warring factions wanted, especially since the American Red Cross distributed around 25,000 meals every day among the population and that, as Basham himself noted, over one hundred people starved to death each day in Mexico City. According to Basham's account, the *Zapatistas* left the hotel in deplorable conditions, and he noted in his diary that *the insurgents took 225 bathtubs, 30 washstands and toilets and more or less the same number of closet stools, plus 86 small telephones and the wall switches*. In the case of Hacienda Rancho Viejo, Basham hired as administrator a man by the last name Bradley, who had managed to increase the production of cereals and, even more remarkable in this context, had

The Hotel Imperial, located on Paseo de la Reforma, was owned by the Braniff Ricard family, Mexico City, ca. 1920. © INAH Media Library

PÁGINA 31

Federal Official Gazette February 5, 1917, issue, with the text of the Political Constitution of the United Mexican States.

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# DIARIO OFICIAL

ORGANO DEL GOBIERNO PROVISIONAL DE LA REPUBLICA MEXICANA

TOMO V

4ª EPOCA

MEXICO, LUNES 5 DE FEBRERO DE 1917

4ª EPOCA

NUMERO 30

Las leyes y demás disposiciones de carácter oficial son obligatorias por el solo hecho de publicarse en este periódico

DIRECTOR  
FRANCISCO PADILLA GONZALEZ

## Poder Ejecutivo

### SECRETARÍA DE GOBERNACIÓN

El C. Primer Jefe del Ejército Constitucionalista, Encargado del Poder Ejecutivo de la Nación, con esta fecha se ha servido dirigirme el siguiente decreto:

**VENUSTIANO CARRANZA, Primer Jefe del Ejército Constitucionalista, Encargado del Poder Ejecutivo de los Estados Unidos Mexicanos, hago saber:**

Que el Congreso Constituyente reunido en esta ciudad el 10. de diciembre de 1916, en virtud del decreto de convocatoria de 19 de septiembre del mismo año, expedido por la Primera Jefatura, de conformidad con lo prevenido en el artículo 40. de las modificaciones que el 14 del citado mes se hicieron al decreto de 12 de diciembre de 1914, dado en la H. Veracruz, adicionando el Plan de Guadalupe, de 26 de marzo de 1913, ha tenido a bien expedir la siguiente:

### CONSTITUCION POLITICA DE LOS ESTADOS UNIDOS MEXICANOS, QUE REFORMA LA DE 5 DE FEBRERO DE 1857.

#### TITULO PRIMERO. CAPITULO I.

##### DE LAS GARANTIAS INDIVIDUALES.

Art. 10.—En los Estados Unidos Mexicanos todo individuo gozará de las garantías que otorga esta Constitución, las cuales no podrán restringirse ni suspenderse, sino en los casos y con las condiciones que ella misma establece.

Art. 20.—Está prohibida la esclavitud en los Estados Unidos Mexicanos. Los esclavos del extranjero que entren al territorio nacional, alcanzarán, por ese solo hecho, su libertad y la protección de las leyes.

Art. 30.—La enseñanza es libre; pero será laica la que se dé en los establecimientos oficiales de educación, lo mismo que la enseñanza primaria, elemental y superior que se imparta en los establecimientos particulares.

Ninguna corporación religiosa, ni ministro de algún culto, podrán establecer o dirigir escuelas de instrucción primaria.

Las escuelas primarias particulares sólo podrán establecerse sujetándose a la vigilancia oficial.

En los establecimientos oficiales se impartirá gratuitamente la enseñanza primaria.

Art. 40.—A ninguna persona podrá impedirse que se dedique a la profesión, industria, comercio o trabajo que le acomode, siendo lícitos. El ejercicio de esta libertad sólo podrá vedarse por determinación judicial, cuando se ataquen los derechos de tercero o por resolución gubernativa, dictada en los términos que marque la ley, cuando se ofendan los derechos de la sociedad. Nadie puede ser privado del producto de su trabajo, sino por resolución judicial.

La ley determinará en cada Estado cuáles son las profesiones que necesitan título para su ejercicio, las condiciones que deban llenarse para obtenerlo, y las autoridades que han de expedirlo.

Art. 50.—Nadie podrá ser obligado a prestar trabajos personales sin la justa retribución y sin su pleno consentimiento, salvo el trabajo impuesto como

pena por la autoridad judicial, el cual se ajustará a lo dispuesto en las fracciones I y II del artículo 123.

En cuanto a los servicios públicos, sólo podrán ser obligatorios, en los términos que establezcan las leyes respectivas, el de las armas, los de jurados, los cargos concejiles y los cargos de elección popular, directa o indirecta, y obligatorias y gratuitas, las funciones electorales.

El Estado no puede permitir que se lleve a efecto ningún contrato, pacto o convenio que tenga por objeto el menoscabo, la pérdida o el irrevocable sacrificio de la libertad del hombre, ya sea por causa de trabajo, de educación o de voto religioso. La ley, en consecuencia, no permite el establecimiento de órdenes monásticas, cualquiera que sea la denominación u objeto con que pretendan erigirse.

Tampoco puede admitirse convenio en que el hombre pacte su proscripción o destierro, o en que renuncie temporal o permanentemente a ejercer determinada profesión, industria o comercio.

El contrato de trabajo sólo obligará a prestar el servicio convenido por el tiempo que fije la ley, sin poder exceder de un año en perjuicio del trabajador, y no podrá extenderse, en ningún caso, a la renuncia, pérdida o menoscabo de cualquiera de los derechos políticos o civiles.

La falta de cumplimiento de dicho contrato, por lo que respecta al trabajador, sólo obligará a éste a la correspondiente responsabilidad civil, sin que en ningún caso, pueda hacerse coacción sobre su persona.

Art. 60.—La manifestación de las ideas no será objeto de ninguna inquisición judicial o administrativa, sino en el caso de que ataque la moral, los derechos de tercero, provoque algún delito, o perturbe el orden público.

Art. 70.—Es inviolable la libertad de escribir y publicar escritos sobre cualquiera materia. Ninguna ley ni autoridad puede establecer la previa censura, ni exigir fianza a los autores o impresores, ni coartar la libertad de imprenta, que no tiene más límites que el respeto a la vida privada, a la moral y a la paz pública. En ningún caso podrá secuestrarse la imprenta como instrumento del delito.

Las leyes orgánicas dictarán cuantas disposiciones sean necesarias para evitar que se pretexe de las denuncias por delito de prensa, sean encausados los expendedores, "papeleros", operarios y demás empleados del establecimiento donde haya salido el escrito denunciado, a menos que se demuestre previamente la responsabilidad de aquéllos.

Art. 80.—Los funcionarios y empleados públicos respetarán el ejercicio del derecho de petición, siempre que ésta se formule por escrito, de manera pacífica y respetuosa; pero en materia política sólo podrán hacer uso de ese derecho los ciudadanos de la República.

A toda petición deberá recaer un acaerdo escrito de la autoridad a quien se haya dirigido, la cual tiene obligación de hacerlo conocer en breve término al peticionario.

Art. 90.—No se podrá coartar el derecho de asociarse o reunirse pacíficamente con cualquier objeto lícito; pero solamente los ciudadanos de la República podrán hacerlo para tomar parte en los asuntos políticos del país. Ninguna reunión armada, tiene derecho de deliberar.

No se considerará ilegal, y no podrá ser disuelta una asamblea o reunión que tenga por objeto hacer una petición o presentar una protesta por algún acto, a una autoridad, si no se profieren injurias contra ésta, ni se hiciere uso de violencia o amenazas para intimidarla u obligarla a resolver en el sentido que se desee.

Art. 10.—Los habitantes de los Estados Unidos Mexicanos tienen libertad de poseer armas de cualquiera clase, para su seguridad y legítima defensa, hecha excepción de las prohibidas expresamente por la ley y de las que la nación reserve para el uso

ADMINISTRADOR  
JOSE FERNANDEZ NESPRAL

exclusivo del Ejército, Armada y Guardia Nacional; pero no podrán portarlas en las poblaciones sin sujetarse a los reglamentos de policía.

Art. 11.—Todo hombre tiene derecho para entrar en la República, salir de ella, viajar por su territorio y mudar de residencia, sin necesidad de carta de seguridad, pasaporte, salvo-conducto u otros requisitos semejantes. El ejercicio de este derecho estará subordinado a las facultades de la autoridad judicial, en los casos de responsabilidad criminal o civil, y a las de la autoridad administrativa, por lo que toca a las limitaciones que impongan las leyes sobre emigración, inmigración y salubridad general de la República, o sobre extranjeros perniciosos residentes en el país.

Art. 12.—En los Estados Unidos Mexicanos no se concederán títulos de nobleza, ni prerrogativas y honores hereditarios, ni se dará efecto alguno a los otorgados por cualquier otro país.

Art. 13.—Nadie puede ser juzgado por leyes privativas ni por tribunales especiales. Ninguna persona o corporación puede tener fuero, ni gozar más emolumentos que los que sean compensación de servicios públicos y estén fijados por la ley. Subsiste el fuero de guerra para los delitos y faltas contra la disciplina militar; pero los tribunales militares en ningún caso y por ningún motivo podrán extender su jurisdicción sobre personas que no pertenezcan al Ejército. Cuando en un delito o falta del orden militar estuviese complicado un paisano, conocerá del caso la autoridad civil que corresponda.

Art. 14.—A ninguna ley se dará efecto retroactivo en perjuicio de persona alguna.

Nadie podrá ser privado de la vida, de la libertad o de sus propiedades, posesiones o derechos, sino mediante juicio seguido ante los tribunales previamente establecidos, en el que se cumplan las formalidades esenciales del procedimiento y conforme a las leyes expedidas con anterioridad al hecho.

En los juicios del orden criminal queda prohibido imponer, por simple analogía, y aún por mayoría de razón, pena alguna que no esté decretada por una ley exactamente aplicable al delito de que se trata.

En los juicios del orden civil, la sentencia definitiva deberá ser conforme a la letra o a la interpretación jurídica de la ley, y a falta de ésta se fundará en los principios generales del derecho.

Art. 15.—No se autoriza la celebración de tratados para la extradición de reos políticos, ni para la de aquellos delincuentes del orden común que hayan tenido en el país donde cometieron el delito, la condición de esclavos; ni de convenios o tratados en virtud de los que se alteren las garantías y derechos establecidos por esta Constitución para el hombre y el ciudadano.

Art. 16.—Nadie puede ser molestado en su persona, familia, domicilio, papeles y posesiones, sino en virtud de mandamiento escrito de la autoridad competente, que funde y motive la causa legal del procedimiento. No podrá librarse ninguna orden de aprehensión o detención, sino por la autoridad judicial, sin que preceda denuncia, acusación o querrela de un hecho determinado que la ley castigue con pena corporal, y sin que estén apoyadas aquéllas por declaración, bajo protesta, de persona digna de fe o por otros datos que hagan probable la responsabilidad del inculcado, hecha excepción de los casos de flagrante delito en que cualquiera persona puede aprehender al delincuente y a sus cómplices, poniéndolos sin demora a disposición de la autoridad inmediata. Solamente en casos urgentes, cuando no haya en el lugar ninguna autoridad judicial, y tratándose de delitos que se persiguen de oficio, podrá la autoridad administrativa, bajo su más estrecha responsabilidad, decretar la detención de un acusado, poniendo-



Businessmen at a convention of the American Chamber, Mexico, ca. 1918. © INAH MEDIA LIBRARY

managed to supply Mexico City with flour. In 1917, Bradley was kidnapped by outlaws who demanded a ransom of 5,000 pesos, weapons, and horses. Basham got Bradley released with the help of the governor of Michoacán, who sent his troops to the hacienda.

In 1917, while strikes promoted by pacifists spread throughout Europe and the Bolshevik revolution triumphed in Russia and put a dramatic end to the tsarist monarchy, a highly, historical, and politically relevant event took place in Mexico: a new Political Constitution was enacted on February 5, whose principles reflect a republican vision with socialist overtones. The new Constitution was the result of a joint effort by the forces in power to generate rules that reflected the new status quo and promoted a legal framework applicable to public life. Naturally, the new Constitution had strong implications in the economic environment, as it included several new concepts regarding property rights. An example of this is article 27, which would generate conflicts in the normalization of relationships between Mexico and other countries in the following decade, especially due to the measures that affected the rights that foreign oil companies had before 1917.

After the enactment of the Political Constitution, Basham wrote in his diary: *We now have a new Constitution and numerous executive decrees are spontaneously issued which are supposed to satisfy the needs of the new legal order, but which have led to a quite complicated situation, both domestically and abroad, surrounded by endless chaos and confusion. Certain retroactive measures based on this Constitution have affected vested rights and... caused controversy in the international arena... especially in connection with oil properties and rights...*



La Casa de los Azulejos on Madero Avenue, Mexico City, flagship building of the store and restaurant, Sanborns, ca. 1927. © INAH MEDIA LIBRARY

Harvey A. Basham represented several of these companies, defended their interests and promoted the creation of the Asociación de Productores de Petróleo, which requested the repeal of the polemical constitutional article. At that time, he drew up the by-laws of the American Chamber of Commerce (of which he was an active member and the president). The American Chamber of Commerce later became an essential tool to promote the commercial interests of the United States and Mexico.

By this time, the Firm had increased its client roster, which included Chicago & Mexico Coffee & Fruit Company; Haseltine, Lake & Co.; Lawrence Langer; Mallinckrodt Chemical; Marks & Clerk; Mexican General Electric Co.; Mexican Mines Company; Sanborn Bros. Scurs.; Garfield and Rhodes; Hart, Schaffner & Marx; Pennie Davies, Marvin, and Edmonds; Remington Typewriter Company and Western Union Telegraph Company. Besides the usual activity in the registration of trademarks and patents, the Firm drew up contracts, secured concessions and permits, recovered goods from the revolutionaries and handled lawsuits. One of the achievements at this time was the securing of a major mining concession for Cía. Minera San José.

A minor case from a legal point of view but a significant one for the social history of Mexico City, took place on November 4, 1918, when Frank Sanborn retained Basham's services to negotiate a twenty-year lease of Casa de los Azulejos, to set up a restaurant and a gift shop. With the passage of time, the restaurant would be known as Sanborn's and would become a renowned commercial chain that is still active today (the Firm still handles the trademark). Decades later, the property owner tried to terminate the lease claiming that that the lessee had destroyed an estipite column. Since

the Firm's offices were located at that time a few feet away from the building and one of the lawyers, a photography buff, had taken photographs of the building facades before the date of the landlord's claim, the Firm proved that the estipite column had been removed before.

Besides attending to numerous foreign visitors and businesspeople, Harvey A. Basham's public life included frequent meetings with diplomats accredited in Mexico and with prominent local celebrities, such as Alberto J. Pani and Adolfo Hegewisch. In addition, Basham was the president of the American Benevolent Society, University Club and Churubusco Country Club, which was rebuilt after being razed to the ground by the *Zapatistas* in 1915.

The Firm also took part in the strategies to import products through the port of Salina Cruz, Oaxaca, and bring them to Mexico City through the rebel zone. Harvey A. Basham scrutinized the new Mining Law due to the projects and investments of several international companies. He also advised General Electric in tax, patent, trademark, and civil law matters.

On June 21, 1918, Basham mentions H. Ralph Ringe, from the U.S. Embassy, for the first time. On April 29, 1919, Basham reports: *Mr. Ringe, Private Secretary of the American Ambassador, came to see me in regard to the payment of mining taxes... He wanted to know my charges for attending to this kind of business... I also told him that I would be glad to look after this business, and he kindly agreed to refer some clients to me.*

In 1919, Emiliano Zapata was assassinated, Álvaro Obregón defeated Villa, and Carranza was assassinated in 1920. From that year on, Álvaro Obregón exercised the political power (1920-1924).

On March 1<sup>st</sup>, 1920, H. Ralph Ringe joined the Firm. At the beginning, he was an assistant to Harvey A. Basham, but soon he became his main collaborator and partner. Ringe was born in Philadelphia in 1886, studied law at the School of Law of Yale University, and was the president of his generation; his father and uncle were also lawyers and founded the Ringe & Ringe law firm. His brother Thomas was a partner in the renowned law firm Morgan, Lewis & Bockius. Ringe lived briefly in Mérida, Yucatán, where he taught at Escuela Modelo and introduced baseball in exchange for Spanish language lessons. When the Revolution broke out, he went back to his hometown. In 1918 he came back to Mexico and settled in Mexico City as secretary to the U.S. ambassador. He worked fifteen-hour days and his energy was legendary.

Basham's inviting Ringe to join him in the Firm proved his people evaluation skills. He chose a man who was quite different from him, and thus complemented him. Basham was an extrovert who had a good relationship with everybody and was most sociable; Ringe was an introvert who favored desk work. In the long run, they were the perfect match, and dedicated a large part of their lives and talent to the Firm.

Work was overwhelming, but the association of Basham and Ringe turned out to be profitable, as it let Basham use his legal expertise and personal relations to promote the Firm, and Ringe to devote his time to study and handle cases, and to manage the Firm efficiently. They handled many cases together; as attorneys for the Association of American Railroads (AAR) in Mexico, they put in a great deal of work to return to their owners 250 railroad cars seized by the Mexican government.

In 1920, Robert Lansing, U.S. Secretary of State, encouraged President Woodrow Wilson to declare war on Mexico to protect the interests of



U.S. oil companies. The U.S. government sent a fleet to Tampico to exert pressure on the Mexican government but did not declare war. President Obregón held firm. From a military point of view, the incident did not get out of control; but was a clear sign of the U.S.'s position regarding oil matters.

In a report drafted at the end of that year, Basham regretted Mexico's situation, especially regarding legal compliance: Mexico's unbridled inefficiency in enforcing the law amid general confusion, where de facto powers did not help to stabilize political, social, and economic life. The report stressed the immense divergence between law and reality and the provisions of the new Constitution in the field of property rights, which made it even harder to defend his clients' interests.

In 1921, with Álvaro Obregón as president, Mexico was the second largest oil producing country in the world; due to the number of jobs and the amount of taxable income that it generated, the oil industry became a fundamental activity for the Mexican State and society. That year, Basham secured a concession for the construction of an oil pipeline in the State of Veracruz and joined the negotiations that led to the signing of the Bucareli Treaty. The Firm had a relevant role in such negotiations, thanks to which it became the leading law firm in post-revolutionary Mexico. In the next decades, its innovative spirit and effective response to complex cases would confirm its prestige and reliability.

By the end of 1921, the Firm had six lawyers, three interns, a secretary, a bilingual stenographer, a court-certified translator, an assistant/messenger (who, as we reported, eventually would coordinate the Patent and

Mexico Country Club (Churubusco Country Club), Mexico City, ca. 1905.  
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Trademarks area) and a scribe and switchboard operator. Cargill Lumber Co., Cervecería Orizaba, La Mexicana Cía. de Seguros, New York Life Insurance, and Westinghouse Electric International Company joined the list of the clients of the Firm.

With the passage of time, the clients of the Firm and services diversified to include oil and mining, manufacturing, and service companies, hotels, shops, and import-export companies. The lawyers of the Firm were required to solve strictly legal issues and to handle the administrative and political aspects of the matters entrusted to them. Basham mentions in his diary that he met on several occasions with the Federal District mayor, with members of the presidential cabinet and with the President of the Republic himself.

Harvey Basham, Ralph Ringe and associates at their Mexico City offices, 1920.

PHOTOGRAPHY: H. F. SCHLATTMAN.

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## THE FIRM'S CONSOLIDATION IN POST-REVOLUTIONARY MEXICO

1922-1931

*Mr. H. Ralph Ringe joined the Firm as my principal assistant on March 1st of this year. Due to his capable and efficient cooperation, I have delegated on him certain duties regarding the business of certain clients, besides numerous Firm details, and routine work to which I previously had to devote time... the growth and expansion of the Firm's business has become burdensome ... for only one man.*

Harvey A. Basham  
Introduction to his 1920 diary

After ten years of revolution, Mexico was weary and demoralized. It had lost a large portion of his population, estimated at fifteen million in 1910. After the end of the struggle, the survivors had no money to meet basic needs, and suffered hyperinflation. This was worsened by the flu pandemic that befell the world from 1918 to 1920. Mexican newspapers of the time reported large numbers of fatalities along the U.S. border, the La Laguna region and several ports; this compares to the number of deaths caused by Covid-19 in Mexico and confirms the disaster that the Spanish flu meant for Mexico.

To top it off, the Álvaro Obregón government had not been recognized by the United States or by the main European countries on the grounds that, under Mexico's 1917 Constitution, recognition might affect vested rights of foreign private investors with high economic power, especially oil and mining companies. As Basham reported on several occasions, President Obregón knew that the 1917 Constitution had raised concerns in the financial sector. Many foreign investors wanted the Mexican government to indemnify them for the losses they sustained during the Revolution; many of those investors were backed by foreign banks, and this caused a negative attitude of their governments towards the Mexican government.

Article 27 gave title to the land and subsoil back to the Nation and created a communal ownership system on farmlands, woodlands and waters, and Article 123 regulated employer-worker relations and granted inalienable rights to workers.

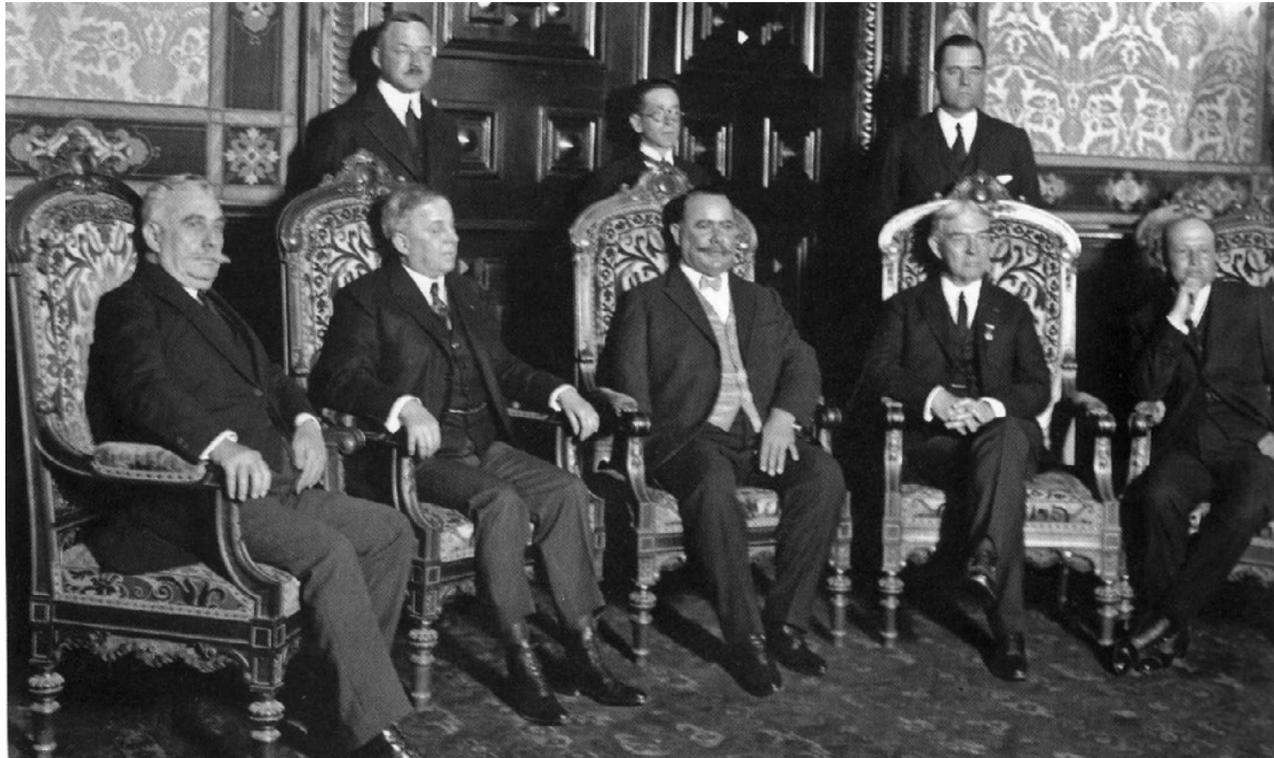
Investors' claims led to a round of negotiations that lasted from 1921 and to 1922, when the Lamont-De la Huerta treaty was signed. The, under said treaty, the Mexican government recognized a debt of 1,566 million dollars. Thus, relations between Mexico and the United States were back to normal and the Bucareli Treaty was signed in 1923 in Mexico City. Basham was appointed custodian of the United States claims and Ringe was appointed deputy secretary of the negotiation process. The talks were held behind closed doors and under strict confidentiality measures. In his state



Oil well in Potrero de Llano, Veracruz, ca. 1920.  
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of the union address of September 10, 1923, President Obregón referred to these negotiations as follows: The talks... focus ... on an exchange of views and information: the Mexican commissioners, after pondering the U.S. point of view and not intending to amend any laws, clarified issues involving U.S. interests in Mexico, specifically the oil industry and land ownership.

In his summary of the conferences, Alberto J. Pani, at the time Mexico's Foreign Minister [*Secretario de Relaciones Exteriores*], mentioned the *successful end of the long-lasting diplomatic controversy, and the restoration of diplomatic ties between the Mexican government and the White House after over three years of interruption (since May 1920, when Venustiano Carranza was assassinated)*. At



Alvaro Obregon, Charles Warren, Ralph Ringe and Mexican officials before the official opening of the Bucareli Treaty conferences in 1923.  
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the end, two Conventions turned out. One was the Special Claims Convention for the Settlement of Claims of American Citizens arising from Revolutionary Acts in Mexico from November 20, 1910, to May 31, 1920, and the other was the General Convention for the Settlement of all Claims of Citizens of both Mexico and the United States which had arisen since July 4, 1868, except for the damages caused by the Revolution.

The signing of these Conventions must have relieved Basham, as they defined the legal status of the indemnification claims, as he had devoted much time and effort to drafting and processing claims for damages suffered by his clients.

While he participated in the Joint Claims Commissions, Harvey A. Basham acted as counsel to the American representative in another commission, the Santa Isabel Claims Commission, for the murder of United States citizens by *Villistas* in 1916. The case was finally settled in favor of Mexico. Coincidentally, over forty years later Pedro Gil Elorduy, a grandson of Aquiles Elorduy, the Mexican negotiator, would become a partner of the Firm.

After the United States recognized the Obregón government, other major foreign countries followed the example set by Warren G. Harding, U.S. President from 1921 to 1923. A considerable increase in foreign investment in Mexico followed, as well as an increase in the number of the clients of the Firm in a wide variety of fields, such as Armour and Co., Baldwin Locomotive Works, H.E. Bourchier, Case Threshing Machine Company, Fox Film Corporation, New York & Cuba Mail Steamship Company (Ward Line), Radio Corporation of America, and United Dredging Company. This increase in the number of clients and the diversity of their activities confirmed the need to retain lawyers specialized in administrative and tax law and contracts and litigation.

His diary reported some noteworthy cases, such as the purchase, for one hundred thousand dollars, of a large house in the Mexico City Colonia Juárez district, which would house the United States Embassy. This was no ordinary purchase, as it implied an interpretation of the application of Article 27 of the Constitution to this property. The embassy's chargé d'affaires consulted Basham on the subject and after a favorable response from the Mexican government was secured, the purchase was successfully completed in March 1922. The case of *Compañía Nacional Tabaquera de Piedras Negras* was also settled favorably, as said company registered the trademarks "Camel" and "Prince Albert" and directly infringed the trademarks previously registered by Reynolds Tobacco Co. As reported in the diary, these undue registrations were a *subterfuge to protect Compañía Nacional Tabaquera de Piedras Negras from prosecution for smuggling tobacco from the United States*. The diary also mentions renowned public figures, such as the archeologists Manuel Gamio, who is famous for his diggings in Teotihuacan in 1917, and Zelia Nuttall, a frequent client of the Firm who discovered the Mixtec codex bearing her name. In August 1923, Ringe mentions a *well-known Bolshevik*, as the responsible for a nurse strike at the American Hospital that the Firm handled.

On occasions, the clients' cases involved political events, such as the De la Huerta rebellion in 1923 and early 1924, which was intended to thwart

House on Londres Street, Juarez district, where the U.S. embassy was headquartered until 1964.  
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Manuel Gamio, Félix Fulgencio Palavicini and others at the Teotihuacán grotto, ca. 1920.  
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Plutarco Elías Calles's candidacy to the presidency. This rebellion caused problems to several industries and businesses throughout the Republic, such as the blockade of the port of Manzanillo by federal troops in January 1924, which affected the operations of Cinco Minas Company. Ringe solved the problem by finding other points of entry and securing a special permit from President Obregón to receive the explosives, zinc powder and carbon that Cinco Minas Company needed.

After analyzing the 1917 Constitution and the bill of the United States-sponsored Treaty of Friendship and Commerce, Basham held that the perpetual oil exploitation concessions granted to mining and oil companies before that year, which included the subsoil materials, should be irrevocable. President Obregón rejected Ringe's proposal, but all the mining and oil companies remained in the hands of foreign companies.

As a result of the Firm's stability and growth, on January 1st, 1923, Basham invited H. Ralph Ringe to become his partner and changed the Firm's name to "Basham y Ringe." Besides having gradually divided their areas of responsibility in the three previous years, H. Ralph Ringe's performance during the conferences, drafting of the Bucareli Treaty, and appointment as chairman of the University Club, caused a very favorable impression on Harvey A. Basham.

Also in 1923, the newly appointed partner suffered a disappointment that left a deep mark on his character and on the Firm's future. Although Ringe led a discreet social life, some contemporaries report that this quiet and introverted man fell deeply in love with a young lady. For reasons unbeknownst to this date, the relationship ended, and Ringe remained single



The garden of the American Hospital, Mexico City, ca. 1901. PHOTOGRAPHY: CHARLES B. WAITE.  
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for the rest of his life and devoted all his energies to the Firm. Except for some short periods of leisure, he worked seven days a week: he arrived at nine o'clock a.m. (on Sundays he arrived at around eleven o'clock a.m.) and turned off the lights of his office at around eleven o'clock p.m.

Ringe's life and character allowed Basham to enjoy a very active social life and to have more time to attract new business. As he told a friend, *I play 19 holes at Club de Golf Churubusco every Thursday, while Ringe plays with the 19 holes in his desk.* Their homes reflected their personalities: Basham lived on Génova Street, one of the best areas of the time; Ringe had a small apartment at the University Club.

The twenties remained convoluted in Mexico. The Adolfo de la Huerta revolt was crushed, and Plutarco Elías Calles was elected president in 1924. His administration marked the beginning of a particularly important change in the country, which had significant repercussions on the Firm's activities. The government encouraged agrarian and labor conflicts and adopted anti-foreign companies' policies.

Basham y Ringe's prestige transcended Mexico and reached the United States and Europe. Several distinguished lawyers joined the Firm, and the number of clients grew to include the likes of Ford Motor Company and Chicago Steel Car Company. Basham y Ringe intensified their activities and joined the recently created Barra de Abogados de México.

As the decade moved forward, labor problems become more frequent. The workers, aware of their rights under Article 123 of the Constitution, resorted to organizing labor movements throughout the country: in September 1924, Ringe achieved the release of got five thousand henequen



Henry Ralph Ringe, ca. 1948.  
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bales that had been seized at the Port of Progreso, Yucatán. Felipe Carrillo Puerto, governor of the State of Yucatán, backed the cooperatives, which fully controlled the labor force and the profits generated by the industries in that state.

The Firm's labor area had been entrusted to Antonio Correa Martínez, who appears as an intern on a 1920 photograph of the Firm. He earned his



Ford Motor Company, S.A., workers, Mexico City, ca. 1930. © INAH MEDIA LIBRARY

law degree from Escuela Libre de Derecho in 1924. Early on in his career, his performance was formidable, as he settled many labor conflicts. This proved helpful for the Firm's future growth.

In April 1926, the Cinco Minas Company workers went on strike. Ringe reported that *some radical leaders... demanded that the company surrender the mine and management to them, as well as a steep salary increase, notwithstanding the amparo granted to our client by the District Judge in Guadalajara.*

In December 1929, Compañía Mexicana de Telégrafos y Teléfonos (a predecessor of Teléfonos de México, S.A.), an International Telephone & Telegraph Co. affiliate, faced a strike. Ralph Ringe did not agree with anything seeming or smelling of communism and noted in his diary that *the strike threatened by the Federal District reds was also staved off.*

Basham y Ringe expanded and faced the recurrent aggressions against companies by trade unions, which gained significant political power. Fidel Velázquez, the legendary union leader who in the following decades became the most powerful labor leader in the country, was appointed secretary general of the *Sindicato de los Trabajadores de la Industria Lechera* [Dairy Industry Trade Union].

The opening of the Soviet embassy in Mexico strained U.S.-Mexico relations, as it was the first Soviet embassy in the American continent. Harvey A. Basham met in Washington, D.C., with Frank Billing Kellogg, U.S. Secretary of State. The situation was so critical that James Rockwell Sheffield, U.S. Ambassador to Mexico, called Calles a communist and stated that *no other country is more like the Soviet Union than Mexico.*

Highly relevant new laws were passed during Plutarco Elías Calles's administration: the *Ley de Repartición de Tierras Ejidales y Patrimonio* [Ejido Land and Assets Distribution Law], the *Ley de la Comisión Bancaria* [Banking Commission Law], the *Convención Fiscal, Extranjería, Petróleo, Ferrocarriles, Colonización e Industrias Mineras* [Convention on Taxes, Foreigners, Oil, Railroads, Colonization and Mining Industries], among others. Such laws affected the clients of the Firm, and the Firm decisively and skillfully faced the government's growing radicalism. The *Ley Federal del Trabajo* [Federal Labor Law] and the *Ley de Títulos y Operaciones de Crédito* [Credit Instruments and Transactions Law] were enacted in 1931 and 1932, respectively, during Pascual Ortiz Rubio's administration.

The distribution of farmlands inevitably affected foreign landholdings. Seeking to avoid a face-off with the government, Pine King Land & Timber Co., on the Firm's advice, surrendered part of its land to a group of campesinos in 1924.

One year later, there was a problem involving land owned by Hacienda Narvarte located on the Mexico City Colonia Narvarte district. The courts had ruled in favor of the client, Compañía de Terrenos Narvarte y Anexas, which at the time was the largest real estate company in Mexico, as among other projects it had already developed Colonia Alamos and now

U.S. Ambassador James R. Sheffield during a ceremony held in the embassy garden, Mexico City, ca. 1926. © INAH MEDIA LIBRARY





Farmland demarcation and distribution, Mexico, ca. 1920. © INAH MEDIA LIBRARY

wanted to develop Colonia Narvarte. President Calles signed an executive order to turn the land into ejidos. On July 31, 1925, Ringe, and Antonio Correa Martínez, accompanied by Antonio's brother Enrique, who was an intern at the time, and four witnesses, showed up at the hacienda, where an armed group received them. Fortunately, the problem did not get out of control and soon the land was returned to the client.

Notwithstanding the political turmoil of the early twenties, the Mexican economy did not lose momentum. Banco de México started operations in 1925 as the sole issuer of currency in the country. Income tax was introduced to tax the profits of foreign mining and oil companies.

In 1925, the Firm moved to edificio High Life, on the corner of Gante and Madero Streets, where PriceWaterhouse, Deloitte Plender, Haskins & Sells, and the American Chamber of Commerce were headquartered as well. The Firm's staff consisted of fifteen people, including Raymond F. Billings, who had worked at the U.S. Patent and Trademark Office in Washington. Billings worked for the Firm from August 1924 to January 1933, when he joined two other lawyers to form Billings & Goodrich, the predecessor of the law firm Goodrich, Riquelme y Asociados in Mexico City.

In 1925, Basham wrote to President Calles and General José Álvarez on behalf of Guerrero Land and Timber Company to report the anarchy existing in the municipalities of Tecpan de Galeana and Coyuca de Catalán in Guerrero. Unfortunately, the situation in that zone worsened rather than improve with the passage of time and Guerrero Land and Timber Company withdrew its investments in that region. Jesús Flores Magón (the brother of Ricardo, a noted anarchist and supporter of the Revolution) and the

Firm filed an amparo before the Supreme Court of Justice on behalf of Cinco Minas Company regarding certain water rights in the State of Jalisco. The Firm filed a complaint with one of the U.S.-Mexico Joint Claims Commissions in connection with its client Horcones Plantation Company, which during the Revolution had suffered severe losses at its plantation, including the destruction of machinery and equipment. The Firm helped Palm Olive Soap Company to set up a soap manufacturing plant.

In November 1925, Basham traveled to the United States to attend to several cases. Basham's diary shows his itinerary: on November 7, at 9:00 o'clock p.m., from the station that preceded Buenavista station, he left on train for Washington; on November 9 he arrived in San Antonio, on November 10 he arrived in Saint Louis and on November 12 he arrived in Washington at two o'clock a.m.; there he met his wife, who had travelled from North Caroline. In Washington he met with Frank B. Kellogg, the U.S. Secretary of State, who told him, according to Basham's diary, that the U.S. government was fortunate to have the services of the Firm. They discussed the situation of Mexico generally and Basham expressed his satisfaction with the outcome of the meeting.

While in Washington, one of the subjects that occupied him the most was the mentioned Joint Claims Commission, and he was invited by the U.S. government to be an advisor to such Commission, a position that he accepted for a fee of five thousand dollars per annum plus expenses, to be paid to the Firm by the U.S. government. He stayed in Washington until Wednesday, November 18; on November 19 he arrived in New York, where he had appointments with several clients; then he went to Boston to watch the Harvard-Yale football game. Back in New York, he spent Thanksgiving Day there. On December 4, after waiting one day in town due to a storm, he traveled back to Mexico with his wife on the steamship "México" of Ward Line and arrived in Havana on December 7; they stayed there on December 8 and the day after they boarded the same ship bound for Puerto Progreso, where they arrived on December 10; from there they went on to the Port of Veracruz. There is no record of when they returned to Mexico City.

Throughout most of 1926, the Firm's diary includes many descriptions of the services provided in corporate matters and lawsuits by a "Mrs.

Basham, Ringe y Correa moved its offices in 1925 to the High Life Building in Mexico City. © INAH MEDIA LIBRARY





President Plutarco Elías Calles in the vault of Banco de México, 1925. © INAH MEDIA LIBRARY

Rodríguez.” During the first decades of the Firm, the diaries omitted the full names of whoever described the activities in them; only brief references were made to “Mr. Basham,” “Mr. Ringe,” “Mr. Correa” and the rest, including “Mrs. Rodríguez.” The Firm has no record other than the diary to report for the first time that a woman, most likely a lawyer due to the activity she carried out under that last name, had worked for the Firm. This conclusively proves that the Firm has always promoted the professional advancement of women. Further on, when discussing the forties, we will find another woman, María Antonieta Buttanda who for several years handled immigration matters. Whether or not Mrs. Rodríguez was the first woman lawyer who worked for the Firm, clearly the Firm, for almost one hundred years, advocated the furtherance of women in a field that, at the time, was almost entirely pursued by men.

Basham y Ringe’s work at the time ranged from major cases handled for multinational companies, to legal issues that did not necessarily call for their personal attention, as is the case of the last will and testament signed by Ms. Ernestina Sanders in her deathbed before a notary public, which, at Ms. Sanders’s request, Harvey A. Basham witnessed. The diaries also show that several clients considered Basham as their personal advisor, beyond his position as a lawyer. An example of this are the meetings Basham had with Frank Sanborn and his wife, regarding the last will and testament that Ms. Sanborn would execute regarding her properties in the United States and Mexico.

In 1926, the government seized all the Catholic Church’s properties and enacted what is known as the Ley Calles, which limited religious freedom.

These measures worsened a nationwide conflict that led to the Guerra Cristera [Cristero War]. This war lasted three years, and caused thousands of casualties on both sides, especially in the States of Colima, Durango, *Guajuato*, Jalisco, and Zacatecas. Ringe provided services to the Executive Committee of Foreign Missions in connection with several matters related to the Church’s property, which had become the property of the Nation.

Also, in 1926 and at the request of the Joint Claims Commission, Basham conducted a thorough study of the complaints filed by Mexicans residing in Veracruz for damages caused by the American troops that occupied the Port in 1914. The main claims were filed by José de Prida, Félix Díaz,



Cristeros at a religious ceremony, Guadalajara, Jalisco, ca. 1927. © INAH MEDIA LIBRARY

Ismael Cadena and Soledad Bravo de Martínez. Basham drew up a report for the Commission and sent additional information to the War Department in Washington.

And yet, the Firm took time to help other than big, corporate clients, such as a Ms. Maurer (to whom Basham refers in his diary as a *young lady*). Ms. Maurer was the private secretary to the Hotel Regis manager and contacted Basham to seek advice on the agreements that were to be signed with her employer, as the hotel had decided to forgo her services. Basham obliged, provided her with legal advice on how to handle the matter, which was satisfactorily settled, and billed her a whopping twenty-peso fee.

The *Ley Petrolera* [Oil Industry Law] was enacted on December 26, 1925, which accepted that oil concessions granted prior to 1917 would be in effect for fifty years. The companies counseled by Basham y Ringe demanded the recognition of their perpetual rights. Labor conflicts intensified and radical nationalism grew in the country. A phrase in a letter sent by President Calles to General Lázaro Cárdenas reflects the prevailing

political context of those years: *If a Yankee soldier sets foot on Mexican soil, the oilwells must be set ablaze for New Orleans to watch.*

Even though President Calles kept on issuing executive orders, which limited foreigners' room for maneuver, and enacted the Calvo Clause, i.e., the commitment by foreign individuals and corporations not to call upon the protection of their governments when carrying out transactions with Mexican nationals, Basham kept on telling his clients to act with restraint, based on his experience with the political ups and downs. The Mexico-U.S. relationship worsened with the ill-timed and unfortunate big stick policy. By the end of 1927, Basham's relationship with President Calvin Coolidge was fruitful: Dwight W. Morrow was appointed as U.S. ambassador to Mexico and did a great job to close the growing gap between both countries, as he struck a very special relationship with President Calles, so much so that he had a crucial participation in the talks that led to the end of the Cristero War.

Ambassador Morrow and his family had a sincere devotion for Mexico and its people. He requested the Firm's assistance to buy a small property in Cuernavaca, to retain Diego Rivera to paint the murals that still exist in Palacio de Cortés, and to finance William Spratling, the well-known *fâché* designer of the silversmith industry of Taxco. Another outcome of his efforts was the start of President Roosevelt's *good neighbor policy*. Morrow bequeathed a large amount of money (the equivalent of fifty thousand dollars) to fund book purchases for Universidad Nacional Autónoma de México. When he passed on in 1931, the Firm handled his estate in Mexico, and until Mrs. Morrow passed managed the Cuernavaca property and

Diego Rivera murals in the Palace of Cortés in Cuernavaca, Morelos, ca. 1930.  
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planned for a three-month stay of Winston Churchill there in the Winter of 1932-1933.

In 1927, Manuel Escobedo joined the Firm; Escobedo would later found the Noriega y Escobedo law firm in Mexico City. Antonio Correa Martínez handled a case involving the distribution of the ejidos that resulted from the division of Hacienda Miraflores and its annexes, owned by a British subject by the name of Robertson, whose interests the Firm represented. To check the status of Hacienda Miraflores, Antonio Correa Martínez had to travel on several occasions to Tlalmanalco; he did so horseback, escorted by seven armed Indians.

Ringe successfully handled a case for the Executive Committee of Foreign Missions involving the Presbyterian Church, and this led to his having close contact with Aarón Sáenz, Mexico's Foreign Minister. He handled, for Goodyear Tire & Rubber Company, several matters related to the new *Ley de Migración* [Immigration Law], which empowered the President of the Republic to act in immigration matters, and vastly limited hiring foreign workers.

Since in 1920 Adolfo de la Huerta had issued an executive order listing the psychotropic substances whose use was authorized in Mexico and the ones whose use was prohibited, in 1927 the Firm counseled Laboratorio Americano de Hierbas Medicinales in connection with the prescription drugs it manufactured and the notices that should be filed pursuant to the new drug regulations.

Due to the gradual consolidation of institutions and of the rule of law (the new Civil Code was published in 1928), the Firm advised its Mexican and foreign clients on how they must conduct themselves. The new laws and the prevailing economic and political conditions led to an increase of Basham y Ringe's clients, thanks to their expertise and knowledge of the conditions prevailing in Mexico.

Due to his tireless efforts, Basham was unanimously reelected as chairman of the American Chamber of Commerce. The Firm represented companies in conflicts involving the ownership and registration of trademarks and patents, mine operation and company incorporation permits, served sectors as diverse as the forestry, mining, motion picture, chewing gum, rubber and pneumatic tire industries, the automotive industry, the beauty and healthcare products, telephony, and food industries, etc.

In the second half of the decade, the clients of the Firm increased to include, in addition to those mentioned so far in this book, the United States Embassy, Columbia Phonograph, National Fuel Oil, Pacific Oil Company, Colgate-Palmolive-Peet, American Gold Dredging Company, Wells Fargo, Johnson & Johnson, Goodyear Tire & Rubber Company, Guerrero Land and Timber Company, Compañía Minera San Miguel, San Francisco Mines of Mexico, Dr. Scholl, and Compañía Mexicana de Explosivos.

Several inventions were patented in this decade; the inventions such as synthetic insulin, television, jet engine, aircraft autopilot, the traffic lights,



Girl with toothbrush and Colgate toothpaste, Mexico, ca. 1930. © INAH MEDIA LIBRARY

and the transparent adhesive tape, which due to their importance are still used today.

After the stock market crash of October 1929, the Great Depression, the worst economic downturn in the history of the industrialized world, took place with deep repercussions in the world, including Mexico. In 1930, Stalin implemented the forced collectivization of agriculture in the Soviet Union, which caused mass famines and the death of over ten million peasants. That year, Mexico City had a population of one million and Emilio Azcárraga Vidaurreta's XEW-AM radio station started broadcasting.

In 1929, Basham y Ringe opened an office on 25 Broad Street in New York City to help with the negotiations related to the consolidation of the national telephone system, led to the incorporation of Teléfonos de México, S.A.

In 1930, with the economy in deep trouble, the silver-backed peso was devalued vis-à-vis the U.S. dollar; this set off the alarm for the International Committee of Bankers having interests in Mexico. The Committee requested Basham y Ringe to issue an opinion on the *Mexican president's authority to revoke a recent foreign debt agreement and to put the deposits made in connection with such agreement to other uses.* The result was a supplementary agreement that the Firm helped to draft.

Back in the United States, The Coca-Cola Company incorporated a company to make and distribute its beverages all over the world. The Firm ended

20th Century Fox prop warehouse, Mexico, ca. 1940. © INAH MEDIA LIBRARY



up representing the new company in Mexico and handling all steps to open bottling plants in Monterrey and Tampico, together with Grupo Mundet.

In the early thirties, Warner Brothers, Paramount Pictures, Twentieth Century Fox and Metro-Goldwyn-Mayer, the large motion picture producing companies of Hollywood, joined Basham y Ringe's client roster.

The early thirties can be ranked as a watershed regarding the 1917 Constitution. Its enactment, besides surprising lawyers all over Mexico, encouraged speculation, as it was in the process of being regulated, amid complex and far-reaching global depression. Although the impact of the depression was less severe in Mexico than elsewhere, it did cause serious financial and labor problems for several clients of the Firm. Basham reported in his diary that at a board of directors' meeting of Westinghouse Electric International Company held in February 1931, on discussing a motion to reduce staff and salaries, he expressly *told them that such action would have a disastrous long-term impact on their business.*

In 1931, Warner Brothers First National Pictures raised the possibility of reducing wages by 20%; Ringe told the company that this was not possible under the Federal Labor Law enacted in August, that *the employees would be entitled to call a strike and the Conciliation and Arbitration Board would back them up, and the company would have to pay accrued wages for the duration of the strike and reinstate employees or pay them three months' wages as compensation.*

In 1931, Mexico joined the League of Nations, which signaled the birth of political stability and a necessary opening to the world; such was the context in which the Firm did business and forged the qualities that would characterize it in the future.

Assorted placard wielders get ready to promote the movie *El capitán* [Cappy Riggs] showing at the Olimpia theater in Mexico City, ca. 1922.

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Warner Bros. First National Pictures headquarters, Mexico City, ca. 1935.

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## BASHAM, RINGE Y CORREA'S TRIUMVIRATE EMERGES UNDER AGRARIAN AND LABOR CONFLICTS

1932-1941

*The Federal Labor Law has one thousand articles: 999 articles in the workers' favor and one article against the companies.*

Antonio Correa Martínez

The Great Depression worsened in 1932 and spread to many countries in the rest of the decade. The Depression and a never-before-seen hyperinflation in Germany led to Adolf Hitler being appointed chancellor in 1933 and, with him in power, to the Second World War. In the United States, that year the National Prohibition Act was repelled, and Franklin D. Roosevelt was inaugurated and launched his economic and social program known as the New Deal, based on increasing public expenditure and funding infrastructure construction projects.

In Mexico, Lázaro Cárdenas was elected president on the Partido Nacional Revolucionario ticket. Many of his policies followed the route set by his predecessor, Plutarco Elías Calles, known as the *"Jefe Máximo"* ["Big Boss"] and of the two Calles-appointed prior presidents (Pascual Ortiz Rubio and Abelardo Rodríguez). Soon General Cárdenas steered away from Calles, banished him from Mexico and forced him into exile in the United States. José Becerra Bautista, who eventually would be of counsel to the Firm after retiring from Banco Nacional de Comercio Exterior, served the banishment order. José Becerra Bautista was the father Javier Becerra Hernández who in the seventies would become a partner of the Firm.

The early thirties marked the prelude to the greatest military conflict in history and to the origin of totalitarian states; they were also a time of great scientific developments (radar, polyethylene, nylon, the photocopying machine, the park meter, Teflon, etc.), and the creation of exceptional works of art. Mexico was in the midst of the radicalization of post-revolutionary policies and the consolidation of the single-party system, as well as the conflict between state-run economy and the development of private



Lázaro Cárdenas del Río on the election trail, Mexico, ca. 1934. © INAH MEDIA LIBRARY

Aseguradora La Nacional building, Mexico City, ca. 1942. © INAH MEDIA LIBRARY



María Teresa Ríos worked with the Firm for over 50 years, Mexico City, 1932. © BASHAM, RINGE Y CORREA, S.C.

initiative. This context put Basham y Ringe's capabilities and innovative talent to the test.

In 1932, the Firm moved to the first "skyscraper" in Mexico City, an eleven-story building owned by Compañía de Seguros La Nacional, on Avenida Juárez and Avenida San Juan de Letrán (now known as Eje Central Lázaro Cárdenas), just across the *Palacio de Bellas Artes* [Palace of Fine Arts].

In these years, formal wear was important. *All female staff suffered with their apparel, as in those years no respectable woman would go out on the street unless she wore a hat and gloves*, remembered Ms. María Teresa Ríos, who worked for the Firm for over fifty years. María Teresa, who was dearly loved, also remembered that *all men wore suits, shirts with starched collars and cuffs, conservative ties, and hats*. Lawyers were not allowed inside the Firm without jackets.

Traffic was light then. The distance between the Firm and the homes of their lawyers and other staff was short; as a result, and since the staff had

a two-hour lunch break, most of them went home for lunch. The lawyers who stayed downtown patronized Prendes, Casino Español or Casa de los Azulejos. The Lady Baltimore restaurant's private dining rooms were the places of choice when the patrons discussed delicate matters.

After a hard day's work, lawyers occasionally met with friends at some nearby bar. The favorite bars were Manolo's, Bar Ópera, Paolo's, and Hotel Ritz, the latter being one of the few places having a "ladies bar."

In the twenties, Basham and his wife used to invite the lawyers and their wives for a Christmas Day party. These Christmas gatherings set a precedent and in later years they were held at the homes of various lawyers. To this date, the Firm's members get together for a big year-end party in December of each year (this tradition was interrupted for the first time due to the pandemic).

By this time, Antonio Correa Martínez was an outstanding member of the Firm. He was highly regarded in the Mexican legal and business community (and for several years was the president of the main U.S. companies, committees and groups doing business in Mexico), and Harvey A. Basham, at fifty-eight, was known as the lawyer of choice of foreign companies in Mexico and as an advisor to the American Embassy. Cordell Hull, U.S. Secretary of State (who promoted good relations with Latin American countries through the "good neighbor" policy) used to consult Basham on Mexico's economic, political, and social situation.

The labor disputes and the obstacles imposed by post-revolutionary bureaucracy kept the Firm on the alert, intensely working to avert the obstacles faced by its clients. The government openly supported unionization and constant conflicts arose between various trade unions, which seriously affected business activities.

The budding post-revolutionary middle class and the flow of foreign investment to Mexico provided numerous clients for the Firm. Ralph Ringe, besides taking many cases, improved the administrative efficiency and strictly observed working hours. New lawyers joined to work in the tax, civil, commercial, and labor litigation areas and to tackle corporate matters: Ramiro Torres Septién, Julio Riquelme, and Gabriel Ortiz García (who would head the tax area throughout his professional life and would become one of the first lawyers in Mexico to specialize in this field of law).

The names of other lawyers (V.G. McDaniel, R.T. Brinsmade, Jess N. Dalton, M. Davis, Pedro Suinaga, Luis Kaufer and José Marín) show up on the diaries of the time.

The Firm represented U.S. railroad companies doing business in Mexico, including The American Association of Railroads, and negotiated the determination of the special tax system applicable to rolling stock leases, for which a *per diem* fee was paid, and persuaded the tax authorities to refund taxes to over twenty-five companies of that Association. In 1933, the Firm secured a concession for Missouri Pacific Lines to operate a railroad bridge between Brownsville and



Main Staircase of the Spanish Casino, Mexico City, ca. 1905. PHOTOGRAPHY: CHARLES B. WAITE. © INAH MEDIA LIBRARY

Patrons at Bar La Ópera, ca. 1960. PHOTOGRAPHY: NACHO LÓPEZ. © INAH MEDIA LIBRARY





Matamoros. In June 1937, President Cárdenas nationalized the railroads and created the *Departamento de Ferrocarriles Nacionales de México* [National Railroad Department of Mexico].

Notwithstanding the improvement of communication systems that made constant contact between the Firm and its branch in New York easier, Basham and Ringe frequently travelled to the United States to meet with their clients and with major patent and trademark law firms.

The Firm's policy of staying in close contact with its clients gave rise to one of the most complex and major operations for the Firm in the thirties, namely, the consolidation of telephony in Mexico. For several years, both the partners and the associates devoted a significant part of their time to this transaction. To give the reader an idea of how complex and big this consolidation was, in the early twentieth century the federal authorities had granted numerous concessions to private sector companies; the outstanding concessions were those granted to the two major international companies in the field of telephony, AT&T and Ericsson; both covered the whole Mexican market, and their service sometimes overlapped. This led the two companies to consider a merger, and both retained the Firm to represent them in this project.

Ralph Ringe thus had to travel constantly to New York to meet with officers of both companies. In 1933 and 1934, the main concern was the scope of the multiple concessions and the legal and tax implications of effecting the merger. There was a major legal caveat: the 1926 *Ley de Comunicaciones* [Communications Law] prohibited granting concessions to foreign companies. Therefore, it was necessary to make sure that nothing would harm the rights that both companies already had. The task was complicated, as the companies had lost certain vital documentation regarding several concessions due to the Revolution; moreover, while some concessions had a domestic scope, others had an international scope.

The government officials having a say in this matter included the President of the Republic the Foreign Minister, the Treasury Minister, and the Communications and Transportation Minister. William Randolph Hearst, a magnate and Firm client, was friends with President Cárdenas, and discussed how important it was to settle this matter in view of the deteriorating international political situation, in the eve of the Second World War. The President issued a favorable executive order which served to secure

funding from international sources and to successfully complete this merger.

During President Cárdenas' administration, the distribution of land intensified; during his six-year term, the largest number of land distributions in the history of Mexico took place: 18 million hectares of farmland were handed over to peasants. Large cattle breeding ranches in northern Mexico, farming ranches in central Mexico, and large timberland and *chicle* producing properties in southern Mexico, were split up into sections. These distributions directly affected landowners and mining and oil companies, and aggravated agrarian conflicts.

The Firm devised new solutions to the problems of the time: to put an end to a conflict in the Yaqui Valley in Sonora, the Firm negotiated with ejido owners a percentage of 3% of the profits for a period of twenty years and the surrender of the land to the Nation at the end of such term. The Firm further advised Guerrero Land and Timber Company, which owned a large extension of land in the State of Guerrero, to whose facilities in Tecpan the lawyers had to go with military escorts. Other cases were those of the Hearst family, whose 365-thousand-hectare latifundio [large landed estate] in the Tehuantepec isthmus was expropriated, and of The Laguna Corporation, which suffers the expropriation of thirty-one thousand hectares.

During those years, and with the Firm's advice, Hearst made major investments in Mexico in the mining industry, *chicle* producing operations and hardwood producing operations, and acquired a huge ranch in Chihuahua known as Babícora. Mr. Hearst's wife, Phoebe Hearst, who had fallen in love with Mexico, was a deciding factor.

Half the Babícora ranch was parceled out during the Cárdenas administration. However, a renowned American historian, Frank Dobie, who visited the ranch in 1935, reported in reference to the million hectares still within the ranch fence that *Babícora remains privately owned only because of the power of the Hearst newspapers in the United States.*

Another agrarian case that the Firm handled involved the German American Coffee-Plantation. On November 23, 1937, Basham travelled to Washington to report to Secretary Hull the situation of U.S. citizens owning land in Mexico. Basham proposed drafting a program to be implemented by the Mexican government to offset the value of seized land. Hull recommended a meeting with the Division of Latin America Republics and



ABOVE  
Men removing a banner to show the Compañía Telefónica y Telegráfica Mexicana plaque, Mexico City, ca. 1940. © INAH Media Library



Ericsson telephone exhibition, Mexico City, 1935. © INAH Media Library

ABOVE  
Associates and partners of our Institution at a Christmas party, Mexico City, 1937.  
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Staff and partners of the Firm during a lunch held July 1939. © BASHAM, RINGE Y CORREA, S.C.

President Cárdenas; the meeting took place but did not dissuade President Cárdenas from carrying on land distribution.

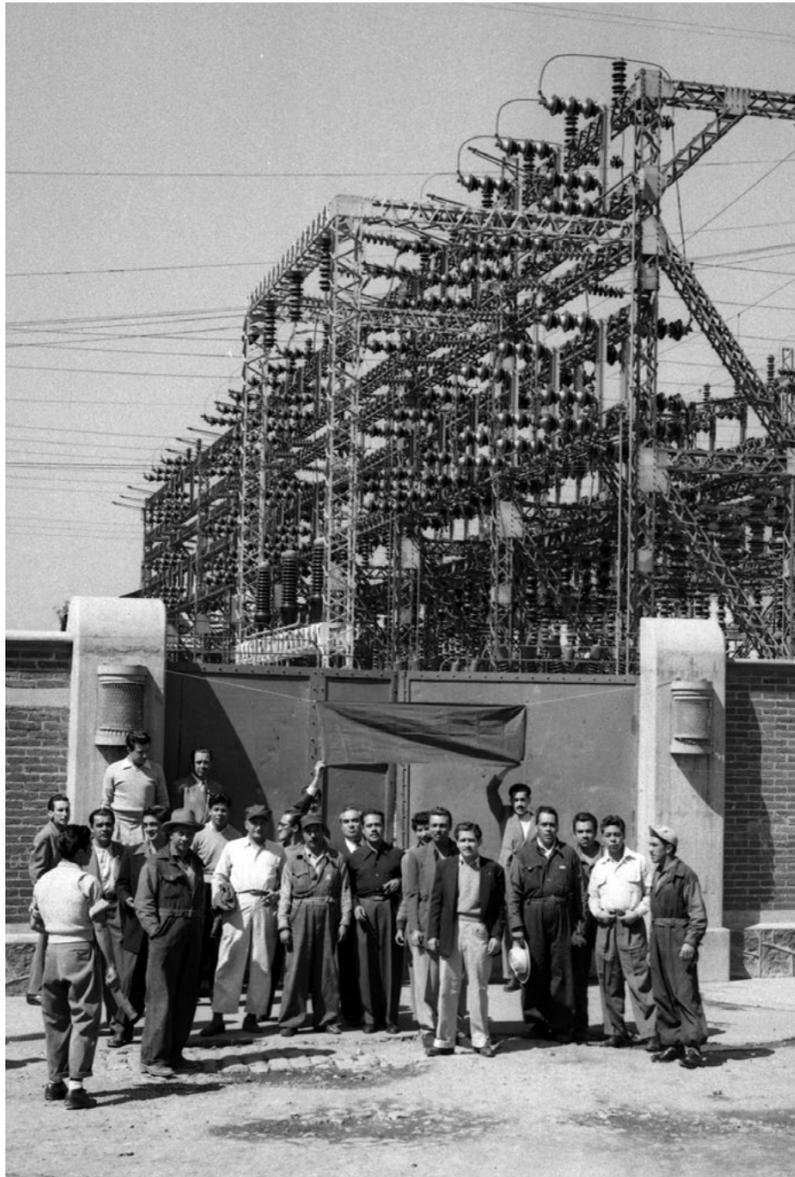
The Firm to this date is so professionally judicious that it goes to great lengths to protect its reputation and so avoids promoting itself in the media. This policy goes back to the time that Betty Cork, an American journalist that worked for the London Times and the New York Herald Tribune, asked for an interview with Harvey A. Basham to discuss the government's negotiations with a mining company. Basham noted in his diary that he told her *that we were not providing any information on this matter, as we are lawyers, and our work is confidential.*

The way the Firm worked led it to participate in many cases; an outstanding case was the dispute between Grupo Mundet and The Coca-Cola Company regarding the Coca-Cola brand. The Firm intervened and the dispute was settled in favor of our client and its newly incorporated subsidiary, which set up bottling companies in Monterrey and Tampico. Other major trademark disputes involved the right to make and sell Shirley Temple dolls and to use the well-known Sanborn's owl brand, which a competitor infringed in 1936.

In September 1936, Thomas Braniff asked Antonio Correa to advise him on his plans to expand his airline with a Mexico City-San Antonio route. General Francisco J. Múgica, Communications and Transportation Minister, cancelled this concession in February 1938, but the concession was granted again in the forties, with the Firm's help.

President Cárdenas declared that *The State has guaranteed the workers' right to go on strike.* As a result, labor conflicts promoted by trade unions increased and this and the fact that, under the labor law, pacific strikes were declared legal and had to be settled through arbitration, made labor matters more important. Many trade unions had joined the *Confederación Regional Obrera Mexicana* (CROM) [the Mexican Regional Workers' Confederation], but by 1936 most trade unions had joined the *Confederación de Trabajadores de México* (CTM) [the Mexican Workers' Confederation]. The collective bargaining agreement of San Francisco Mines, drawn up by Ralph Ringe, Antonio Correa Martínez and Ramiro Torres Septién in December 1936, became a model for collective bargaining agreements, and was later adopted by many companies.

The importance of submitting labor conflicts to binding arbitration and to union organizations is illustrated by the case of New York & Cuba



Electrical workers at the Nonoalco Substation on strike, Mexico City, 1930. © INAH MEDIA LIBRARY

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Brief issued by H. Ralph Ringe on behalf of Compañía de Minas de Hierro "Las Truchas" to the Secretary of National Economy, Rafael Sánchez Tapia, 1937. © INAH MEDIA LIBRARY

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Al C. Secretario de la Economía Nacional.

H. RALPH RINGE, en representación de la COMPAÑÍA DE MINAS DE HIERRO "LAS TRUCHAS", S. A., ante usted con todo respeto expongo:

En relación con la concesión al lote minero "Las Truchas", Título No. 37,596 y por vía de antecedentes, se permite referirse al oficio No. 27342, de fecha 29 de octubre de 1936, dirigido por la Secretaría al muy digno cargo de usted al C. Agente de Minería en Arteaga, Mich. comunicándole que dicha Secretaría había resuelto decretar la caducidad de la concesión antes dicha en virtud de no haberse dado cumplimiento en su oportunidad a lo dispuesto en el Decreto de 14 de septiembre de 1916. Asimismo me refiero:

(a).- Al escrito presentado ante esa Secretaría con fecha 20 de enero de 1937, en el que la Compañía mi representada expuso las razones en que funda su inconformidad con dicha resolución.

(b).- A la comunicación dirigida por el C. Presidente de la República a los señores Secretarios de Comunicaciones y Obras Públicas y de la Economía Nacional, que fué publicada en la prensa de esta capital con fecha 25 de junio de 1937, informándoles que el Gobierno había resuelto explotar los yacimientos de fierro de "Las Truchas" con el fin de atender a las necesidades interiores de la industria y aprovechar el mercado extranjero. En la referida comunicación sugiere el señor Presidente que se nombren dos comisiones: una, para que haga el estudio del dragado de la Barra de Pichi, muelles, etc., y la otra, para que planee la instalación del campamento, etc., para llevar a cabo dicha explotación.

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comercialmente aprovechable, la Bethlehem Steel Company (principal accionista de la Compañía que represento), sería la empresa más indicada para aprovecharlo a través de un largo período de tiempo, en virtud de que necesita considerablemente grandes cantidades de mineral de fierro para sus funciones.

(6).- Que aún en el supuesto de que el mineral de "Las Truchas" fuera susceptible de aprovecharse comercialmente en la actualidad, y pudiera exportarse de la región aislada en que se encuentra sin gastos exorbitantes, toda vía así tardaría tanto tiempo la explotación del citado fondo que los altos precios vigentes actualmente en el mercado (y los cuales son temporales), dejarían de regir antes de que la propiedad pudiera ser puesta en producción.

(7).- Que siendo la mira del Gobierno satisfacer las necesidades de la industria nacional y aprovecharse de los altos precios del mercado mundial, se le ocurre a los accionistas de la Cía. de Minas de Hierro "Las Truchas", S. A., que el Gobierno tal vez ignora que hay en el país disponible para su venta una cantidad considerable de mineral de fierro de alta ley y con un mínimo de contenido de azufre, el cual podrá adquirirse a buen precio. Por vía de ejemplo se podría citar el hecho de que últimamente la Compañía Fundidora de Hierro y Acero de Monterrey, S. A., ha ofrecido en venta a la Bethlehem Steel Co., a precio razonable, mineral de fierro de alta calidad y con bajo porcentaje de azufre.

Finalmente, la Compañía de Minas de Hierro "Las Truchas", S. A., no duda que los estudios que realicen las comisiones designadas por encargo del señor Presidente,

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Habiéndose enterado los accionistas de la Compañía de Minas de Hierro "Las Truchas", S. A., de la resolución del C. Presidente antes mencionada, éstos han suplicado al suscrito que someta a usted, señor Secretario los siguientes puntos que esperan se servirá tomar en consideración el Gobierno al resolver sobre el particular:

(1).- que el fondo minero de que se trata se halla ubicado en una región aislada, lo que hace muy difícil y costosa su explotación.

(2).- que no obstante que, a juicio de la Compañía mi representada, no le incumbía legalmente hacer trabajos regulares en el fondo minero "Las Truchas", ha ejecutado trabajos considerables, consistentes en socavones con una extensión mayor de 3,000 metros, cuya explotación le ha proporcionado datos exactos respecto a la cantidad y calidad del mineral. Estos trabajos de explotación, así como los análisis químicos del mineral, han demostrado que aún cuando existe un depósito bastante grande del mineral y que no obstante que el mineral que se encuentra a flor de tierra es de buena ley, a medida que se avanza en profundidad el contenido de azufre alcanza un porcentaje tan alto que la explotación del mineral resulta incoestable.

(3).- que en la actualidad no se aprovecha en los mercados mundiales mineral con un contenido tan alto de azufre como el de "Las Truchas".

(4).- que en la región de los Grandes Lagos en Estados Unidos de América, existen inmensas reservas de mineral de la misma calidad del de "Las Truchas", el cual no ha sido explotado ni extraído, debido al alto porcentaje de azufre que contiene.

(5).- que cuando el mineral de "Las Truchas" sea

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confirmarán la exactitud de los datos consignados en este escrito y que se llegará a la conclusión de que la explotación de "Las Truchas", en la actualidad, resultaría incoestable en virtud del costo que alcanzarían las obras indispensables para extraer y transportar el mineral, y a los demás obstáculos y desventajas apuntados. Por lo tanto, a nombre de la Compañía de Minas de Hierro "Las Truchas", S. A., atentamente pido se suspenda todo procedimiento o resolución tendiente a confirmar la declaración de caducidad de la concesión, hasta que las citadas Comisiones hayan tenido oportunidad de hacer sus investigaciones y rendir el correspondiente informe.

Respetuosamente.

H. Ralph Ringe.-Rúbrica.



Vicente Lombardo Toledano and other union leaders on the steps of the National Palace, Mexico City, 1938. © INAH MEDIA LIBRARY

Mail Steamship Company, known as Ward Line, a company that in 1931 started the steamship tourist service in the Gulf of Mexico. In 1938, its operation was seriously affected by disputes among several trade unions, when the management of such company's terminal in the port of Veracruz refused to accept the request of a trade union other than the trade union having the exclusive right to represent the employees in the collective bargaining process to enter into another collective bargaining agreement. The trade union that served the strike notice put up the red-and-black flag on the entrance to the company's facilities and the problem soon degenerated when other trade unions joined the strike and when the tourist operations were suspended. Antonio Correa, who travelled to Veracruz frequently to handle this case, reported in his diary on August 4, 1938: *I had a rough meeting with CTM and Conciliation and Arbitration Board representatives. I told them that the company would not take part in disputes involving different trade unions.* The parties involved in this conflict reached an agreement, but the precarious labor situation lasted well into the sixties.

In 1938 and 1939, the Firm helped other clients to solve severe trade union problems, including Colgate-Palmolive-Peet, Lane Rincon Mines and Wampole and Company.

The Banco Nacional de Comercio Exterior [National Foreign Trade Bank] was founded in 1937 to promote exports. On March 18, 1938, President Cárdenas ordered the expropriation of oil companies and the formation of Compañía Exportadora de Petróleo Nacional [National Oil Exporting Company], the predecessor of Petróleos Mexicanos. This was the most important and radical action taken by the government at the time,



Workers and students rally in favor of the expropriation of the oil industry, Mexico City, 1938. © INAH MEDIA LIBRARY

and even though it gave rise to conflicts with expropriated companies, the government did not change its decision, as it considered that state ownership of oil was strategic for the country's development. The government's position is easily explained if we bear in mind that at the time Mexico had already become a major oil producing country, and that English and Dutch investors owned 70.5% and U.S. investors owned 29.5% of the oil industry. Although the Firm did not represent the oil companies, the expropriation indirectly affected the operations of many of its clients, which it represented by claiming that this event should not impinge upon the rights and operations of companies engaged in other than oil exploitation. In a September 1938 letter to Colgate-Palmolive, the Firm stated that *industries not related to landholding, mining, water, communications, etc., which are governed by organic laws and the Constitution... would not be affected. The government will not exert pressure on said companies based on labor law provisions ... as the revolutionary aims are far more important than that.*

At the same time, the Senate of the Republic amended Article 3 of the Constitution and declared that public education should be socialist-oriented in Mexico, while President Cárdenas restructured the Partido Nacional Revolucionario and changed its name to Partido de la Revolución Mexicana.

In January 1938, Antonio Correa Martínez became the third partner, and the Firm changed its name to Basham, Ringe y Correa. This was a momentous event, as the new partner made the Firm firmly rooted in Mexican legal practice. Antonio Correa's appointment was the result of his dedication and professional expertise, as well as of his social skills. His knowledge of languages (he was fluid in French and English) helped him to establish

important personal relationships abroad; in addition, since he was about thirty years younger than Basham and Ringe, Antonio Correa was a member of the generation that would forge the destiny of Mexico from that decade on. Among his contemporary and friends were public figures such as Miguel Alemán Valdés, Manuel Espinosa Yglesias, Antonio Carrillo Flores, and Emilio Azcárraga Vidaurreta.

Antonio Correa's character and good judgment are evidenced by an entry in his diary, in which he pointed out that the refusal of a suspension of an amparo filed on behalf of AT&T should not be contested because the federal judge was right in refusing the suspension. In a milieu in which always the litigator disagrees with the judge when the latter rules against the litigator's client, such position shows the intellectual honesty that characterized Antonio's professional practice.

Basham, Ringe y Correa, with its thirty years' experience, was to play an increasingly dynamic role in the future of this new Mexico, amazingly different from the turbulent country that the two initial members found.

From 1939 to 1941, the Firm secured tax benefits for companies regarded as "new and necessary industries," which were contacted to modernize

Antonio Correa Martínez, ca. 1955.  
© BASHAM, RINGE Y CORREA, S.C.



Lazaro Cárdenas and Manuel Ávila Camacho at a civic event, Mexico City, ca. 1940.  
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various facilities using loans granted to the Mexican government by U.S. sources.

The Firm took part in the execution and enforcement of public works contracts to improve the facilities and dredge the port of Veracruz; its advice to The Foundation Company to increase the supply of water from Lerma river to Mexico City, to Morrison Knudsen to improve the Veracruz and Tampico airports; and to The Utah Construction Co., for the construction of a dam, the Pan-American highway and the Mexico bullring, which was located, as reported in the diary, at the "Extension of Insurgentes Avenue."

In 1940, León Trotsky, a former Bolshevik leader who came to Mexico as an exile three years earlier, was assassinated at his Coyoacán home in Mexico City. Basham, Ringe y Correa assumed the defense of Sylvia Ageloff, the assassin's lover, who was charged with being an accessory to the murder. Ms. Ageloff was released after the Firm proved that she had been used without her consent in the assassin's plans, the Stalinist agent Ramón Mercader.

In that same year, at the end of the *Cardenista* administration, General Manuel Ávila Camacho was elected president; Ávila Camacho was a conciliator chosen by Lázaro Cárdenas with the intention of moderating the influence of the most radical sectors of Partido de la Revolución Mexicana. President Ávila Camacho promoted a national unity government by attenuating economic collectivization, the influence of trade unions, and the institutional intransigence toward private investors. All these factors, plus the policy of rapprochement with the United States and the positive effect of the Second World War on the Mexican economy, helped to generate a relaxed atmosphere with the business sector and an increase in the Firm's activities, which at the outset of the forties experienced a pronounced growth process.

To bring together the countries of Latin America against fascism and to guarantee the supply of raw materials to the United States, upon the request of Nelson Rockefeller, U.S. Secretary of State, the Office of the Coordinator of Inter-American Affairs (the "OCIAA") was created in August 1940. The Firm actively participated in the OCIAA initiatives, including the



The Firm's collaborators strolling around Chapultepec park, Mexico City, 1941.  
© BASHAM, RINGE Y CORREA, S.C.

creation of a list of companies, which was published in early 1941, whose purpose was to prevent investments from the Axis countries.

Rockefeller soon realized that the United States needed to launch a public relations campaign to minimize accusations of imperialism; therefore, a scholarship program was established through the OCIAA for Latin American citizens. In 1941, the American Library Association contemplated the possibility of setting up a library in Mexico and so, with the Firm's assistance, the Benjamin Franklin Library started operations on April 13, 1942, with Harvey A. Basham as Board Chairman and Alfonso Reyes, the noted writer and intellectual, as Treasurer. In the meantime, Antonio Correa stroke up a friendship with Rockefeller.

One way or another, the War influenced the activities of several clients of the Firm. In 1941, the Firm counseled Warner Brothers First National Pictures on showing a documentary on Nazi activities; Guerrero Land and Timber Co. on drawing up a report on its capacity to provide the wood that the U.S. Department of War needed to build torpedo boats; Sanborn Hermanos on returning to their countries of origin European perfumes that were seized by the British authorities on the grounds that they were owned by Nazis; the Firm also handled consultations by German Jews who wished to take possession of seized German and Italian ships; and as a result of the Winter War between the Soviet Union and Finland, the Firm, with the authorization of the Mexican government, organized a campaign to raise funds for wounded Finn citizens.

## WAR AND INDUSTRIALIZATION; THE FOUNDING PARTNER'S PASSING

1942 -1951

*It's the man, not the name.*

Harvey A. Basham

The Second World War decisively marked the first half of the forties. Even after the end of the hostilities, its sequels determined the world's strategic political and economic reconfiguration.

Mexico, at the time ruled by Manuel Ávila Camacho, benefitted from diverse war-related activities: it became a supplier of oil, minerals and farm products purchased mainly by the United States. Faced by uncertainty and violence in many countries, foreign companies sought refuge in Mexico which, besides offering a strategic geographical location and legal and political

Manuel Ávila Camacho and Nelson Rockefeller greet each other, Mexico, 1940.  
© INAH Media Library



security to investors, had an abundant labor force and a growing domestic market. Again, Mexico benefitted from the most transcendental war of the Twentieth Century, as numerous investments were made in multiple sectors of the economy, which experienced a significant, never-before-seen growth in Mexico's recent history. After the Revolution, a pandemic and the Great Depression, Mexico from that moment on experienced a sustained growth that fully transformed it in the decades that followed.

This business dynamism was a superb opportunity for Basham, Ringe y Correa to offer its services and at the same time a challenge due to the complexity and variety of cases. The Firm processed before the U.S. Embassy in Mexico the importation of essential equipment to make vehicles that would be used during the war and drafted motion picture distribution agreements for Columbia Pictures and negotiated with the Mexican government the services provided by Aeronautical Radio de Mexico. Ringe advised Esterbrook Steel Pen Mfg. Company in the purchase and sale of ink in Mexico.

In early 1942, the Firm secured permits for Braniff Airways and British Airways to carry U.S. military personnel and supplies over the Mexican air space to Guatemala and Panamá, and upon request of the Mexican government drafted a report on the exportation of radio transmission equipment to the United Kingdom. By August, Basham was processing visas requested by the U.S. government for mining experts to travel to Mexico *to handle certain mining company-related matters*.

Basham, Ringe y Correa's participation in drafting the U.S.-Mexico agreement signed in 1942 for the temporary emigration of two hundred thousand Mexican laborers, unheard of in the history of our country, was

Braceros at the Mexican railway station, Mexico, ca. 1945. © INAH Media Library



Partners and associates of the Firm, 1942. © BASHAM, RINGE Y CORREA, S.C.

especially important, so much so that on one occasion one of the Firm's lawyers was commissioned to the Buenavista railroad station to supervise the departure of a train full of migrants. The Firm later participated in the negotiations of the bilateral Mexico-U.S. agreement to hire Mexican workers for the U.S. railroad industry. Also in 1942, with the Firm's participation, a "Pact of Worker Unity" was signed that proposed the suspension of the right to strike; this pact was never applied.

In the early forties, Thomas Braniff's difficulties were resolved and flights between Mexico and the United States started. In October 1942, together with Pan American World Airways and American Airlines, Braniff was trying to secure concessions to fly the Dallas and San Antonio-Laredo routes to Mexico City. In 1944, Antonio Correa accompanied Braniff to negotiate freedom of the air aviation rights to fly to Cuba and Guatemala. Fulgencio Batista and General Ubico, presidents of Cuba and Guatemala, respectively, granted their approval and the following year negotiations were started with El Salvador, Nicaragua and Panama, and the planning of extensions on domestic routes to properly connect Mexico to said countries.

At the beginning, Antonio Correa worked primarily in the labor area, but eventually he devoted more time to administrative and commercial matters that led him to negotiate with the likes of Marte R. Gómez, Agriculture Minister; Maximino Ávila Camacho, Communications Minister, and Miguel Alemán Valdés, Interior Minister. The labor area was then entrusted to Ramiro Torres Septién, a terrific lawyer and negotiator, who already had worked with the Firm for several years and had become a renowned



Thomas Braniff, owner of Braniff Airways, ca. 1955. © INAH Media Library

labor lawyer, trusted and respected by trade union leaders, including those who controlled Mexican trade union life for many years.

Torres Septién was a graduate of the Escuela Nacional de Jurisprudencia [National School of Law] of the Universidad Nacional Autónoma de México, from which he graduated in 1938 with honors. He skillfully used his expertise and talent to deal with workers and employers, travelled all over Mexico to handle collective bargaining conflicts of the textile industry

in Puebla and Veracruz, of the mining industry in Chihuahua (San Francisco Mines, later known as Minera Frisco), Guerrero (Minas de Guerrero) and San Luis Potosí (Minerales Penwalt), and several companies located in the incipient industrial zone of the State of Mexico (Cía. Hulera Goodyear Oxo) and in the Federal District (now Mexico City) (Chicle Adams, International Harvester and Reynolds Aluminum). He took part in the solution of serious problems that Ferrocarriles Nacionales de México faced to repay its debts to The Association of American Railroads due to the “prevailing desperate labor situation,” as reported in the March 1944 diary.

Torres Septién was also a writer; he authored the novels *Noé nace cada día*,

based on people who worked at the Firm, and *Sombra verde*, which he wrote during work related trips to Chiapas was later adapted for a movie starring Ricardo Montalbán, Ariadna Welter and Miguel Inclán.

The *Ley del Seguro Social* [Social Security Law], enacted in 1943, created the *Instituto Mexicano del Seguro Social* [Mexican Institute of Social Security] and provided healthcare and other benefits for workers. The Firm represented its corporate clients that were under the obligation of registering their workers in the new Institute. Some of such clients were E.I. DuPont de Nemours, Ward Line, Perfumes Importados (Guerlain), Sanborn Hermanos, and Morrison Knudsen.

The postwar era saw the emergence of a new upper class, which Carlos Fuentes dissected in his 1958 novel, *Where the Air is Clear*. As a result of the demand for goods by said new class, the presence of luxury articles and brands in the Mexican market increased. This led the Firm to complement its experience in the industrial property and copyright area by retaining David Rangel Medina, who soon joined the first generation of postgraduate students at the Facultad de Jurisprudencia of the Universidad Nacional Autónoma de México, where he earned his Ph.D. degree with honors.

For many years, Rangel Medina was the head of the Firm’s industrial and intellectual property area and taught industrial and intellectual law to graduate and postgraduate students at his Alma Mater and at Universidad Iberoamericana. He authored several textbooks, such as *Los derechos de autor y su protección legal en México*, *Tratado de Derecho marcario*, *Las marcas y sus leyendas obligatorias* and *Derecho de la propiedad industrial e intelectual*, and founded *Revista Mexicana de la Propiedad Industrial y Artística*, the first journal on



“Vitalizadora Cadena,” a Good Year-Oxo dealer in Mexico City, ca. 1957. © INAH MEDIA LIBRARY



Workers protest against the IMSS, Mexico City, ca. 1945. © INAH Media Library

industrial and intellectual law in Spanish. Rangel Medina’s trajectory was so important that in 1971, the Mexican Supreme Court of Justice awarded him the *Gran Cruz de la Orden del Honor Forense* [Grand Cross of the Order of Legal Honor]; in 1990, the President of the Republic honored him with the *Medalla al Mérito* [Merit Medal], and in 1996 the Barra Mexicana Colegio de Abogados [Mexican Bar] awarded him the *Premio Nacional de Jurisprudencia* [National Jurisprudence Prize]. Since his arrival in the forties, he attracted many clients. France’s Union des Fabricants, known as Unifab, was one of the first clients that he attracted to the Firm, and is especially mentioned because of its significance in the defense of intellectual property worldwide and because the Firm has since the forties legally represented Unifab’s members

Don David was instrumental in attracting new clients, in turning the Firm into a patent and trademark law firm, and in establishing professional relations with the major law firms in this area in the world, such as Pennie Davies, Marvin and Edmonds (later Pennie & Edmonds until its disappearance around fifteen years ago), the forties records show abundant cases handled on behalf of the following intellectual property law firms or general practice firms: Fross Zelnick Lehrman & Zissu (United States), Elzaburu (Spain), Jacobacci (Italy), Smart & Biggar, LLP (Canada), Dannemann & Siemsen (Brazil), Marval & O’Farril (Argentina), Claro & Cía. (Chile), Bacot & Bacot (Uruguay) and Marks and Clerk (United Kingdom), among others.

The *Ley de la Propiedad Industrial* [Industrial Property Law] was enacted in 1942, at a time in which trademark rights infringements increased. The Firm assumed the defense of the Coca-Cola brand against imitations,

and commissioned experts to travel all over the country to detect products bearing names such as Pola-Cola, Kola-Kola, Zimba-Kola, Fotocola, Spar-kola, Kist-Kola, Rumba-Cola, Ludo-Cola, Topo-Cola and even the unlikely name of Coco-B-Coli. In the liquor industry, the Firm, on behalf of Moët Hennessy, waged war on “Hendressy,” a dreadful liquor deceitfully sold taking advantage of the brand name’s phonetic similarity to the Hennessy cognac brand and succeeded on taking the imitation out of the market. The Firm also handled another relevant case involving the Kahlúa liqueur brand and formula. A collection of imitation and counterfeit products of that era is on display at the Firm’s industrial and intellectual property area.

In those years, the Firm fought counterfeit Chanel brand perfumes, handled the litigation involving the illegal use of the Longchamps brand by Trade Mark Services, the defense of one of the General Motors Company patents and many lawsuits involving the falsification of Perandren.

Basham, Ringe y Correa counseled Sears Roebuck on the opening of a store chain in Mexico, handled matters for McCormick Mexicana and Hinds, and regularly counseled fashion brands, such as Cartier, filed actions against and achieved the cancellation of a photographic camera patent granted in Mexico which turned out to be a copy of the prototype registered in the United States by Eastman Kodak Company; the Firm, on behalf of Mortgage & Loan Co., filed and was granted an amparo by the Supreme Court of Justice against the expropriation of a plot of land

Sears employees serving a family, Mexico City, ca. 1951. © INAH Media Library



in Colonia Romero Rubio of Mexico City; the Firm assisted Caleta Beach Hotel Co. in the purchase of several land lots in Acapulco and handled a major transaction for Productos Químicos Gallowhur, in which Carlos Trouyet, one of the richest men in Mexico at the time, had a stake.

In the motion picture industry, and as mentioned before, besides representing four of the major films studios in the world, the Firm took part in a dispute regarding copyrights of the Mexican song *Allá en el Rancho Grande*, which resulted in the protection of copyrights in Mexican westerns starring Pedro Armendáriz, Jorge Negrete and Pedro Infante. The Firm defended Warner Brothers in the defamation lawsuit filed against it in 1942 by Porfirio Díaz, Jr., who claimed that his father was defamed in the motion picture *Juárez y Maximiliano* and sued for an indemnification of 670,000 dollars. The Firm consulted several historians as well as the *Comité de Veteranos de la Revolución* [Revolution Veteran Committee] and secured a favorable decision for its client after almost ten years of litigation.

Also as a consequence of the War, immigration matters increased (as the labor law- and land-related cases had in the preceding decade), as the Mexican government put in place actions to regulate the entry of innumerable immigrants who fled from the conflicting countries and crowded ports and borders, and at the same time sought to control the entry of foreigners who came to Mexico to run the growing number of subsidiaries of international companies in our country. In fact, by the end of the forties,

The Goldwyn Girls and movie businessmen at Hotel Reforma in Mexico City, 1947. © INAH Media Library



the quota of foreigners allowed in the Mexican territory was exceeded and the borders were shut down. Due to this, the Firm secured employment permits for innumerable foreigners to work in and run companies in Mexico; if such employment permits were not secured, the noncomplying companies were sure to suffer steep fines. Some of the companies that the Firm served during that time in the immigration area were Sears, Babcock & Wilcox, Fibras Industriales de Monterrey, Cía. Mexicana de Explosivos, Zimmer Manufacturing, Mexico Land Securities, Western Electric, Cía. Hulera Goodyear Oxo, General Electric, Coca-Cola Export Sales, Deloitte Plender Haskins & Sells, Bourjois, Executive Committee of Foreign Missions and East Asiatic Co.

Handling such workload in the immigration area would have been impossible without the crucial and professional participation of María Antonieta Buttanda; as we reported earlier, we cannot say whether she was the first- or second-woman lawyer retained by Basham, Ringe y Correa. In any event, at the time there were very few women lawyers in Mexico, and they found it difficult, to say the least, to practice a male-dominated profession, but the Firm has always been ahead of the times and gave women the opportunity to forge a career in the same conditions as their male colleagues. María Antonieta, over seventy years ago, was a distinguished example of this.

The Firm has always provided services to its clients in all kinds of matters, including some non-legal in nature, such as the case submitted to us by Colgate Palmolive involving aggressions by a religious group that claimed that a Colgate Palmolive advertising campaign was blasphemous. This issue was settled with the help of Antonio Correa Martínez's father, Eduardo J. Correa, who at the request of the partners met with Luis María Martínez, archbishop primate of Mexico.

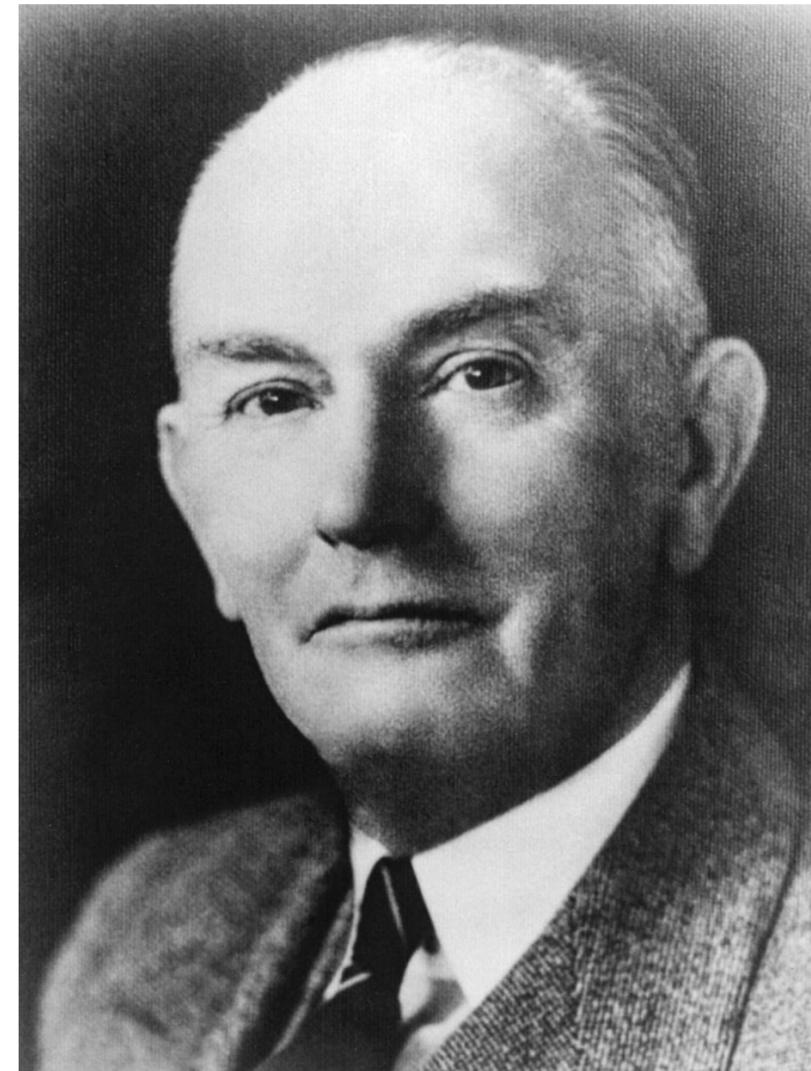
Brilliant civil lawyers joined the Firm in this decade: Guillermo Gómez Arzapalo, Eliud Limón Alatorre and Juan Francisco Torres Septién, and an exceptional expert in business law, Manuel Vergara Garza. The Firm handled the first liability lawsuit involving air traffic filed against Compañía Mexicana de Aviación, successfully representing a lady who had suffered serious injuries in a flight.

The Firm enjoyed a remarkable growth in the decade; besides the lawyers mentioned above, new associates joined the Firm: José Luis Beltrán, W. E. Clayton, Jorge del Castillo, Guillermo Gómez, Fernando Jiménez, Alfred Ronstadt, and Alberto Rueda.

Harvey A. Basham began spending long stays at his home in Virginia, United States, which bore a "Mi casa" plaque. In 1944, after suffering a serious car accident with his wife, he decided to retire, and waived any economic compensation. He kept his apartment on Génova street, but never came back to Mexico.

On August 7, 1948, Ralph Ringe made the following entry in his diary: *Office.-A telegram was received this morning from Mrs. Basham, announcing the death of Mr. Harvey A. Basham, and advising that the funeral would be held at three o'clock this afternoon... Office was closed.*

The Firm published a death notice on *El Universal*: *We deeply regret to announce the passing of Mr. Harvey A. Basham, at his hometown in Charlotte, Virginia, on August 7<sup>th</sup>. Basham, Ringe y Correa.* Ralph Ringe, Antonio Correa, and María Teresa Ríos attended the funeral services for Basham in the United States.



Harvey A. Basham, ca. 1942.  
© BASHAM, RINGE Y CORREA, S.C.

After devoting over thirty-six years to the Firm and having witnessed the terrible events of the Revolution and its aftermath, the founding partner, within the bounds of his possibility, contributed to the reconstruction of Mexico and left behind an ethical law Firm, well-equipped to face the second half of the twentieth century. Basham always emphasized how important it was for any organization that all its staff be characterized by their dedication, a thought that is behind the epigraph to this chapter, which represents the essence of Basham, Ringe y Correa. To this end, both Harvey A. Basham and Ralph Ringe as well as Antonio Correa, established rules of justice and equity to settle disputes that arise in any professional organization, involving duties and compensation, which remain in effect to this date.

Harvey A. Basham was highly regarded in Mexico and abroad. John Mason Hart, in *Empire and Revolution: The Americans in Mexico Since the Civil War*, calls Basham one of the Americans who significantly thrived in Mexico after the end of the Civil War.

Harvey A. Basham's retirement and later passing marked the beginning of the Firm's transition to a new era. His absence resulted in the Firm becoming a more institutional rather than individualistic organization.



Seamstress at her Singer sewing machine, Mexico, ca. 1937. © INAH Media Library

This process led to the restructuring of the Firm's areas to improve the handling of its clients' cases.

Basham, Ringe y Correa's new client roster was imposing and included J. Walter Thompson, General Foods, McGraw-Hill, Elevadores Otis, Singer (maker of the well-known sewing machine, an emblem of a generation in the Twentieth Century, that the Firm defended against counterfeiting), Vick Chemicals, and Quaker Oats.

After the Second World War, the world witnessed an unprecedented economic and technological development; the United States became a political, military, and economic power; emerging nations appeared in several regions of the planet, often under the guise of nationalism, and the first independence movements took place in Asia and Africa.

Technological developments were truly relevant in this period of history. Multiple inventions took place that came to be indispensable in modern life, such as the computer, the transistor, the microwave oven, the ballpoint, the Tupperware brand food preserving plastic containers, the hologram, and the bar code.

In Mexico, the consolidation of the Mexican Revolution was reflected in the movies, art, and culture. Since the decade before, the muralists Rivera, Orozco and Siqueiros and artists such as Frida Kahlo, Remedios Varo and Nahui Ollin expressed in their work the greatness and beauty of Mexico and showed them to the world. In 1946, Emilio Fernández was awarded the Palm D'Or in Cannes for his film *María Candelaria*, and the *Academia Mexicana de Artes y Ciencias Cinematográficas* [Mexican Motion Picture Arts and Sciences Academy] was created. This was the golden age of Mexican

radio and Agustín Lara wrote *María Bonita* for María Félix. Bonampak was discovered in the Lacandon Jungle in Chiapas and the Instituto Nacional Indigenista was created in 1948.

In 1946, the Partido de la Revolución Mexicana changed its name to Partido Revolucionario Institucional and in December Miguel Alemán was inaugurated as President of Mexico. He was the first civilian president of Mexico, and this put an end to a long-lasting tradition of electing military men as presidents. President Alemán's political stance and government style were apparent early on in his administration: when Petróleos Mexicanos workers went on strike, the government settled the conflict by



Workers protest dispersed by police and soldiers at the Azcapotzalco Refinery in Mexico City, 1949. © INAH MEDIA LIBRARY



rescinding the employment agreements and ordering the army to occupy the oil wells and refineries.

Alemán promoted major public works in the Federal District, now Mexico City, such as the viaduct that bears his name, the construction of low-income housing projects such as the Miguel Alemán and Benito Juárez multifamily housing projects, and the University City in Mexico City inaugurated in 1952. His presidential program maintained the state monopoly in sectors such as oil production and electricity but backed the private sector and introduced modern industry and capitalism in Mexico. During his administration major companies such as Ingenieros Civiles Asociados

(ICA) and Tubos de Acero de México were incorporated, and a new type of businessperson was born, such as the likes of Manuel Espinosa Yglesias, Jorge Pasquel, Bernardo Quintana, Bruno Pagliai, Eloy Vallina, Gastón Azcárraga and Rómulo O’Farrill.

Consistent with the guidelines of capitalist economy in the western world, the Alemán government’s policy fostered an unprecedented growth in the country’s economy and industry, with the help of substantial foreign



Miguel Alemán, Agustín García López and Fernando Casas Alemán inspecting the works of the “Miguel Alemán” viaduct, Mexico City, 1949. © INAH Media Library

investment, primarily from the United States. This boom had an impact on the evolution of the Firm, since it caused the need to interpret newly enacted statutes, such as was the *Ley General de Sociedades Mercantiles* [General Business Company Act]. Relying both on its expertise and on its experience with American and European clients and law firms, the Firm became the leader in structuring economic and corporate instruments, based on the concepts of unlimited variable capital stock, shares with preferred voting rights, convertible debentures, and joint ventures.

Another example was the enactment of the *Ley de Fomento de Industrias Nuevas y Necesarias* [Law to Promote New and Necessary Industries]. This law provided inducements, especially tax inducements, to foster the formation of companies in Mexico as subsidiaries of foreign companies, to replace branches. This led to a substantial increase in corporate matters handled in the Firm.



A day in the country: collaborators of the Firm, Mexico, ca. 1950. © BASHAM, RINGE Y CORREA, S.C.

Though the new generations of lawyers believed that Basham, Ringe y Correa had consistently handled criminal cases only after the second half of the eighties, a review of the diaries shows that, besides the defense of Mrs. Ageloff, José Luis Beltrán handled several criminal cases in the late forties, as evidenced by the entries that he dictated in August 1949, namely, a fraud committed against Fábricas Unidas de Textiles (the charges were dropped because the client was refunded for the financial loss); another case involved Sears Roebuck de México (an employee was sentenced to jail for breach of trust) and, finally, a case involving Atlas de México, which led to the arrest of the perpetrator of the fraud to the detriment of the company.

All organizations must begin anew to grow and prosper. The Firm is not an exception, and therefore the partners, besides inviting Enrique Correa Martínez to join the Firm as a partner, took the necessary steps to lure and prepare a new generation of lawyers (some of whom were already mentioned) and the first year law school students Juan G. Mijares and Adolfo Tena Morelos, who years later, as partners, would lead the destiny of the Firm.

In 1951, the Firm, with twelve lawyers and six interns, moved to Avenida Juárez 14.



The Firm’s employees spend time at Rancho El Pipinico, State of Mexico, ca. 1949. © BASHAM, RINGE Y CORREA, S.C.

## AUSTERITY, MODERNIZATION, AND RINGE'S LEGACY

1952-1961

*You get paid based on your performance; there is no  
place for deadwood.*

H. Ralph Ringe



Presidents Adolfo Ruiz Cortines and Dwight D. Eisenhower at the Falcón International Dam, October 1953. © INAH MEDIA LIBRARY

On December 1<sup>st</sup>, 1952, Adolfo Ruiz Cortines was sworn in as President of Mexico, and shortly thereafter, on January 20, 1953, Dwight D. Eisenhower was sworn in as U.S. President. The relations between both countries improved, as illustrated by the Falcon Dam dedication on October 19, 1953, presided over by Ruiz Cortines and Eisenhower, and by Operation Wetback, a U.S.-sponsored immigration law enforcement initiative under which thousands of undocumented Mexican workers were rounded up and deported from the United States.

Ruiz Cortines's administration followed somehow the Alemán administration policies, which were characterized by modernization and backing for companies through private credit, as well as by the opening to foreign capital and by political and ideological moderation. The new president sought to eradicate corruption and to run his government under strict austerity rules. His administration was marked by the so-called *stabilizing development* policy, which remained in place for the two successive administrations, to improve the living standards of the population, in a climate of greater certainty.

The Ruiz Cortines administration granted some tax exemptions and inducements to companies to promote investments and job-creation, and thus fostered the growth of the middle class. In such an environment, which favored business and economic development, the Firm pursued the policy, in effect since its foundation, of having its lawyers start their career as interns in the Firm. This policy allowed the Firm to know the skills and concerns of aspiring lawyers, regardless of their personal background, as well as their adaptation to the Firm's strict standards of professional conduct and practice.

In the early fifties, the men's tradition of wearing hats was on the way out. Vests were still fashionable, but lawyers almost never wore watch chains that shackled their abdomens, from which cigar cutters or pocket watches



Men's fashion in the streets of downtown Mexico City, ca. 1950. © INAH MEDIA LIBRARY

hung. Some degree of informality was permitted on Saturdays, as was the use of sport coats and ties, since working hours ended at one o'clock p.m., a practice that remained in effect up to the seventies. Womenswear remained conservative: they always used stockings and skirts (never above the knees).

Some furniture pieces dated back to the twenties: Ringe's furniture was made of oak and upholstered with leather to last generations; Torres Septién's furniture reflected that taste for *art déco* that was so popular in the thirties.

The Firm's move from Juárez 4 to Juárez 14 brought about an esthetic revolution regarding furniture in the common areas, such as the reception, meeting rooms and several private offices. These spaces were decorated by Mario Pani, an architect and interior decorator much in demand.

After the move, Ringe established the rule that lunchtime would be cut down to one hour; therefore, the lawyers and secretaries were no longer able to have lunch at home. The lawyers had lunch at some neighborhood restaurant or at some club close to the office, such as Club de Banqueros, Club Americano, the British Club, Prendes and other venues, including the bars located on the twelfth floor of Juárez 14. The secretaries had lunch in an office they shared with the interns.

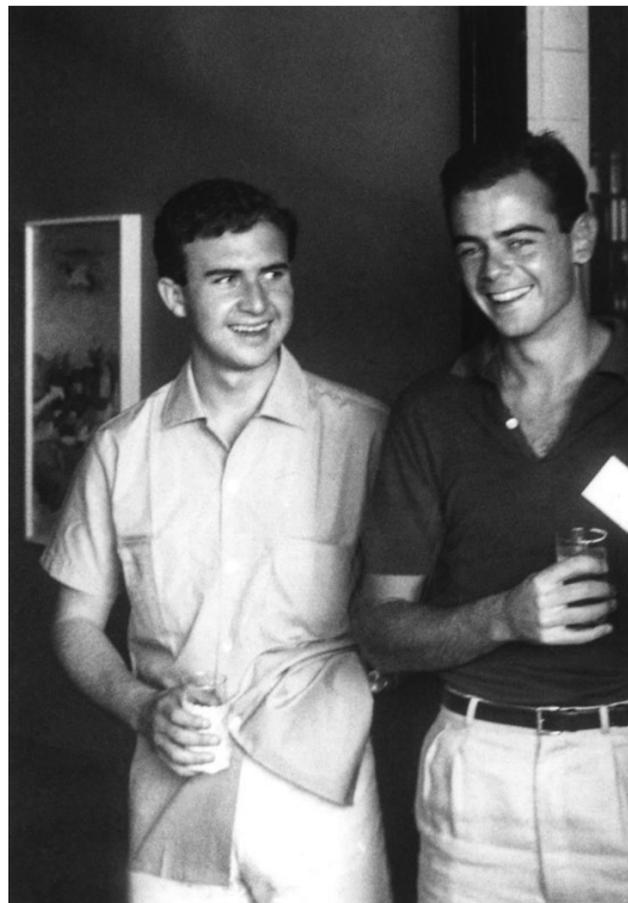
Industrial, trade, and professional associations flourished in the decade, and some lawyers scheduled their attendance to the meetings of such organizations for their lunchtime.

George Graham Glascock, Juan G. Mijares and Adolfo Tena Morelos earned their law degrees in the early fifties; they were nicknamed the "Three Musketeers" and, as mentioned before, they ended up leading the Firm's destiny for several years and brought great vitality to the tax, corporate and labor law areas.

At the beginning of 1952, Ramiro Torres Septién, whom we have already mentioned, and Alfred Ronstadt, who, as we reported in the preceding chapter, worked as an associate very closely with Ralph Ringe, were made partners. Ronstadt was not qualified to practice law in Mexico, but he did have a U.S. law degree.

Ralph Ringe, Antonio Correa, and Enrique Correa made Torres Septién and Ronstadt partners due to their skills as lawyers, as well as Torres Septién's relations with labor authorities and union leaders and Ronstadt's capacity to attract new clients and to handle the Firm's administration, which was increasingly complex. Antonio Correa was interpersonal savvy, while his brother Enrique was a renowned civil lawyer, Ringe was a workaholic but shunned social interaction, so thought it advisable to reinforce the Firm's structure with the skills of Torres Septién and Ronstadt and thus keep the Firm going in the decades that followed.

Due to Ronstadt's friendly relations with top officers, several companies became clients of the Firm. One of such clients was Pedro Domecq, a member of the family that owned the Spanish company of the same name, who represented that company in Mexico for many years until Domecq



Juan G. Mijares and Graham Glascock, 1956.  
© BASHAM, RINGE Y CORREA, S.C.



Firm members during the 1952 Christmas celebration. © BASHAM, RINGE Y CORREA, S.C.

España was sold to a British group. From the beginning of this relation, the Firm handled multiple legal cases, among them the falsification of the renowned Fundador brandy, an especially relevant case, as Fundador brandy was the largest selling brandy at the time in our country. Another client was Milton Reynolds; he and Ronstadt were Club de Golf México founding members. Reynolds had set up the Reynolds Pen Company, which became one of the first companies to make ballpoint pens. Reynolds flew all over the world on a twin-engine plane to promote his products.

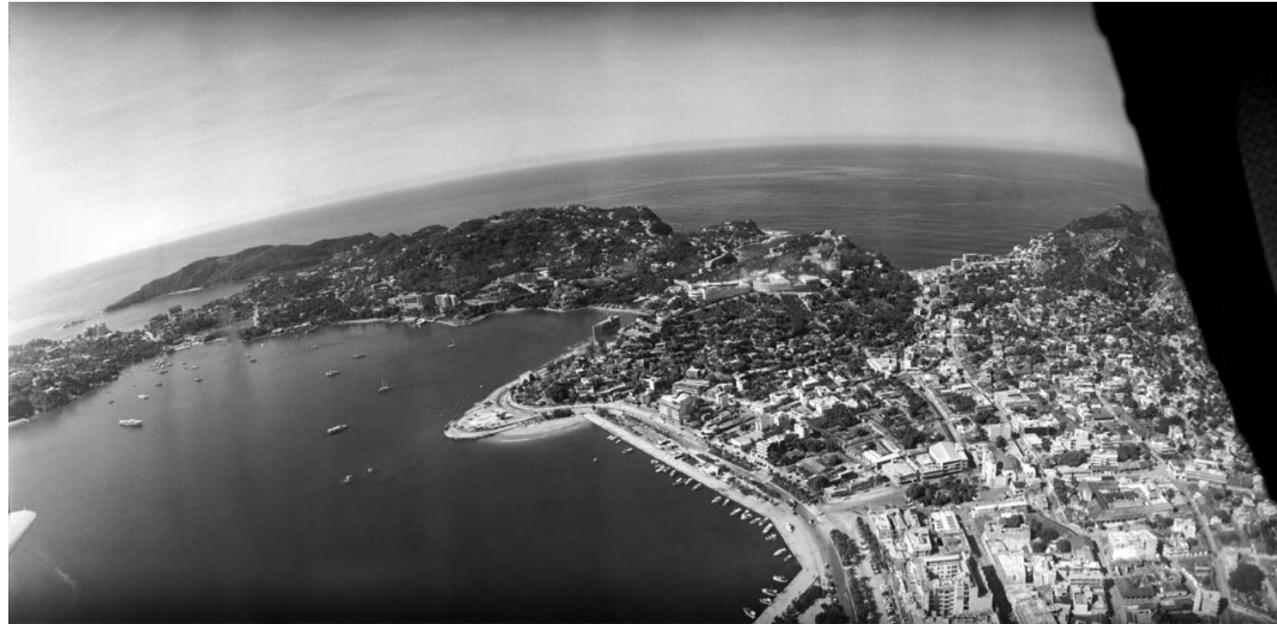
Another friend of Ronstadt's who became a client was Karl Schmidt. Schmidt had made his fortune in the coal industry, retired in Mexico, and formed, Karl's Fleet in Acapulco, which engaged in the growing tourist boat rental business during in the golden age of that port in the fifties. The company was such a success that shortly after its formation it became a true menace to competitors, who besides owning fishing ships were the leaders of the fishermen's union.

Since Schmidt ignored their warnings, the union leaders put a stop to Karl's Fleet operations with a strike. The Firm intervened and reached an agreement with the fishermen's union, which was ratified before the Federal Conciliation and Arbitration Board on December 24, 1955, just before the authorities closed for the Christmas Holidays. Schmidt ignored the Firm's advice and bought more boats. One month later, when he took the payroll to the docks, the last thing he heard was a burst of gunfire; he died instantly.

Another act of violence of that time involved the operations of Guerrero Land Timber and Company, which had a concession to run a timber

operation in almost half the State of Guerrero. Graham Glascock often visited the offices located in Coyuca de Catalán. Due to many violent armed robberies that claimed the lives of several company employees and lawlessness, Guerrero Land Timber and Company and other clients gradually abandoned their timber operations in Chiapas, Durango, Guerrero, Jalisco, and Quintana Roo.

When Ruiz Cortines was sworn in, the Mexican peso-U.S. dollar exchange rate was 8.50 pesos per dollar; in 1954 a devaluation took place to



Aerial view of the city and bay of Acapulco, 1958.  
© INAH MEDIA LIBRARY

12.50 pesos per dollar. President Ruiz Cortines then suggested that employers grant their workers a wage increase of “at least” ten percent. This phrase (“at least”) encouraged trade unions to call strikes against most companies in Mexico seeking wage increases way above said percentage. A sad joke popular at the time was that, due to so many strike calls, the Labor Ministry never turned off its lights.

Based on the recent amendments to the by-laws of Barra Mexicana Colegio de Abogados, it was decided that law firms should no longer include foreign names in their name. Of the three law firms that included foreign names in their names, one changed its name, another one resigned the Bar and only Basham, Ringe y Correa successfully disputed in court the application of this amendment.

Two important ladies visited Mexico in 1956: Eleanor Roosevelt, the widow of the former United States president, and Ann Morrow, the daughter of ambassador Morrow who, as already mentioned, played a critical role in positively changing the relations between Mexico and the United States.

Both were actively involved in movements favoring human rights, especially women’s and children’s rights. Mrs. Roosevelt was even appointed U.S. ambassador to the United Nations. Mrs. Roosevelt and Ms. Morrow visited Mexico to promote their ideas and to put in place a campaign to defend women’s rights; the Firm actively assisted them in this endeavor.

The Firm also helped Ann Morrow to make what she said was one of the hardest decisions in her life: to sell the family’s property in Cuernavaca (after his famous cross Atlantic flight, Charles Lindbergh flew to Mexico on

a good will visit, during which he met and fell in love with Ann Morrow in Cuernavaca). After the sale, the municipal authorities changed the name of the street where the house was located to Morrow.

During the fifties, due to agrarian expropriations, the latifundios were about to disappear. The Firm suggested The Hearst Corporation to sell the properties that it still had, including the Babícora Ranch, to the Mexican government. As a result of the negotiations carried out by the Firm with the direct participation of President Ruiz Cortines, the sales were successfully completed.

The work of lawyers was painstaking: during the fifties and part of the sixties such work called for the use of large quantities of paper. The correspondence and documents often were printed with five or six copies and looked like huge club sandwiches. Modifying or correcting an original

Eleanor Roosevelt, ca. 1960. © INAH MEDIA LIBRARY





Elizabeth Cutter Morrow, Charles Lindberg, Dwight Morrow, and Anne Morrow Lindberg, Mexico, 1927. PHOTOGRAPHY: H. F. SCHLATTMAN.  
© INAH MEDIA LIBRARY

letter or brief with so many carbon copies was a daunting task, especially for the secretaries of Ralph Ringe, who always held each document against the light to make sure that the corrections or changes were properly made. During the fifties you would often hear someone say: *after paper, Xerox has been the most important discovery for the legal profession!*

Some people still remember the scribes in green eyeshades, transcribing by hand minutes and other documents onto bound books, including notaries' registers, duly approved by the corresponding authorities. In the forties, the Elliot Fisher typewriters eased the scribes' work who now could transcribe documents directly on the pages of bound books. One of such machines is currently on display on the entrance to floor thirteen of the Firm.

IBM's punch cards, which were the foundation of a semi mechanical system, replaced the procedure of cutting the diary entries dictated by the lawyers and pasting them on each client's file. María García, Harvey A. Basham's assistant, spent a large part of her time doing this and in times of crisis asked María Teresa Ríos to help. Even with such help, occasionally they finished their painstaking work at ten or eleven o'clock p.m.

Basham was a golf enthusiast, as already mentioned. When politicians and businesspeople became interested in this sport, Antonio Correa, a golf buff himself, started devoting more time cultivating relations with clients and high-profile politicians. He also got involved in the administration of Club de Golf Churubusco, undertook a revision of its by-laws, and was later appointed president of the Asociación Mexicana de Golf.

Ronstadt had been a national clay pigeon shooting champion in the forties and started playing golf in the late forties to achieve an impressive

Firm guests, ca. 1958. © BASHAM, RINGE Y CORREA, S.C.

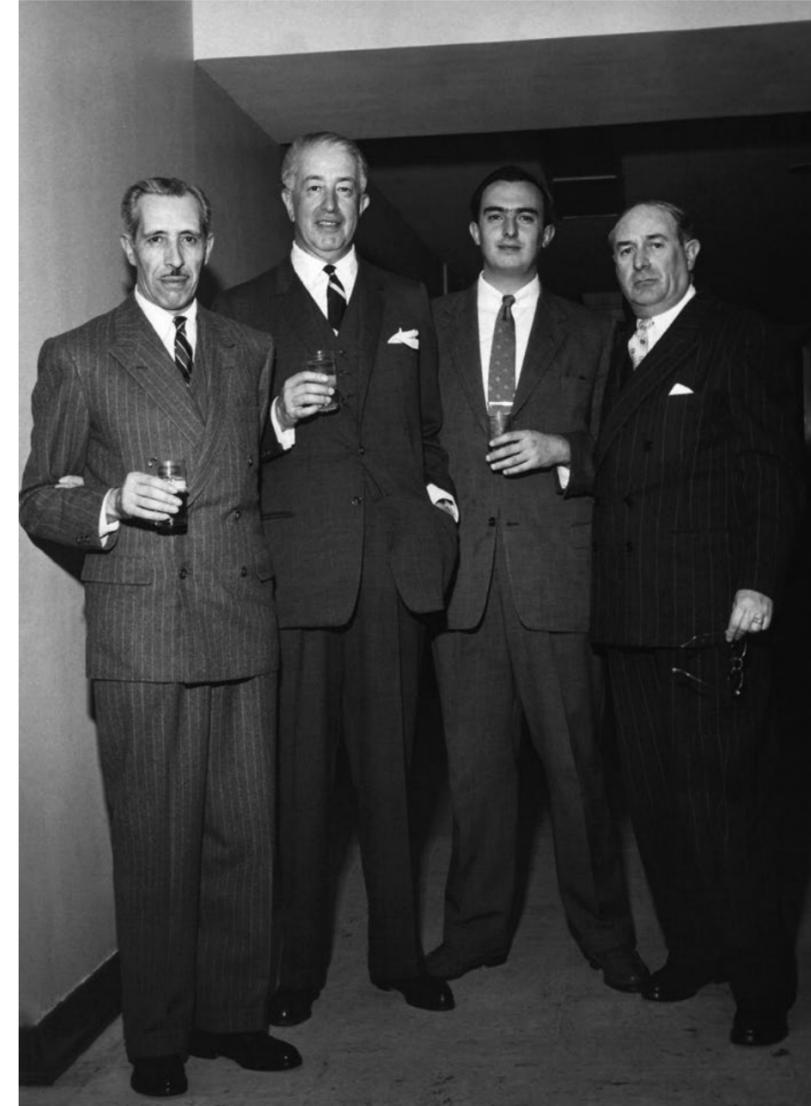




Latinoamericana Tower under construction,  
Mexico City, *ca.* 1958. PHOTOGRAPHY: NACHO LOPEZ.  
© INAH MEDIA LIBRARY

par of seventy-six on 18 holes. This was awesome, as Ronstadt had lost an arm in his youth in a hunting accident. He was not as good a singer as his niece Linda, but he was a reasonably good trumpet player.

At the outset of Adolfo López Mateos's administration in 1958, Mexico decided to limit imports, increase tariffs, and cut down public expenditure. Slightly afterward and in view of the negative results of said cutdown, the trend was reversed, and substantial amounts of money were invested in public works.



Lawyers of the Correa Family, *ca.* 1959.  
© BASHAM, RINGE Y CORREA, S.C.

In 1959, H. Ralph Ringe caught pneumonia and passed away in Philadelphia on February 11, at the age of seventy-two. This was a day of mourning in the Firm; the Firm's staff respected and admired the man who, during forty years of service, devoted all his time and affection to an institution that was family to him. The Firm's interns and lawyers were his substitute sons, to whom he transmitted the core values of discipline and integrity. The high standards of excellence that have characterized the Firm throughout the years, are largely due to Ralph Ringe's efforts, and are a monument to his memory. He funded a trust with his estate at

the Wharton School of Business of the University of Pennsylvania, for *high-grade point average Mexican graduates of a school in Mexico or the United States, whose financial condition keep them from pursuing their education*. The Wharton School of Business complied with Ralph Ringe's instructions and, according to the 2010 list of financial aid offered to students, awarded ten-thousand-dollar grants to Mexicans studying there up to around 2015, when the trust fund ran out.

In the late fifties, two lawyers who ended up having an outstanding professional career on their own worked for the Firm: Vicente Aguinaco Alemán, an industrial and intellectual property lawyer, who became Chief Justice of the Supreme Court of Justice in the nineties and the recipient of the *Premio Nacional de Jurisprudencia* [National Jurisprudence Award] presented by Barra Mexicana Colegio de Abogados; and Miguel Villoro Toranzo, who was ordained a Jesuit priest, founded the School of Law at Universidad Iberoamericana, and became a researcher, learned jurist and humanist, focused on the philosophy of law.

The decade was plentiful of major inventions such as the pacemaker, the safety belt, the microchip, the hovercraft, and the oral contraceptive.

The 1961 Rome Convention was signed on October 26, 1961, to protect the moral and economic rights of authors and related rights of performers, producers of phonograms and broadcasting organizations. This resulted in a major growth of the Firm's copyrights area, which has kept on growing to this date.

## Financial Assistance at Wharton

For those who aspire to attend Wharton, the only thing more daunting than gaining admissions is figuring out how to foot the bill. Like most elite graduate school programs, Wharton offers a variety of programs to help students pay the program's lofty tuition.

### Financial Assistance Options

Wharton presents the following options for exploring financial assistance:

**Wharton Merit-Based Scholarships.** Approximately 30 percent of first-year Wharton students receive merit-based fellowships, ranging from small awards to full scholarships. Specific instructions and criteria for applying for these fellowships are provided at the time of admission. Wharton encourages fellowship applications from all students given that the criteria for selection of awards can extend beyond financial need and merit to include personal background, academic and extracurricular achievement, leadership, community involvement, interpersonal skills, integrity, and honesty.

- **Corporate and Foundation Fellowships** – Provided through the donations from a range of companies and for-profit and not-for-profit organizations. View a [complete list](#) of fellowship supporters.
- **Joseph Wharton Fellowship** – Wharton Fellowship grants range from \$5,000 to \$20,000 named in honor of Joseph Wharton, the founder of the Wharton School. Specific instructions and criteria for applying for Wharton Fellowships are provided upon admission.
- **Howard E. Mitchell Fellowships (HEM)** – This full-tuition fellowship is awarded to exceptional students of Hispanic, African-American, and American Indian descent. View a [complete list](#) of corporations who contribute to the Howard E. Mitchell Fellowship Fund.
- **Emerging Economy Fellowship** – \$20,000 fellowships for students from emerging economies, which help offset the financial costs of the MBA for students from "regions where repayment of large loans would be difficult."
- **European Fellowship** – Established in 1996 by Wharton's European Advisory Board, selected recipients receive \$15,000. Applicants must be citizens of a European country. United States permanent residents, students who will become permanent residents during the MBA program and dual citizens of a European country and the United States, are not eligible.
- **Henry Ralph Ringe Fellowship** – Established in 1959 by Henry Ralph Ringe, this \$10,000 fellowship is awarded to a Mexican citizen. United States permanent residents, students who will become permanent residents during the MBA program and dual citizens of Mexico and the United States, are not eligible.
- **Mohammed Bin Rashid Al Maktoum Foundation Fellowship** – Established in 2007 by Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the United Arab Emirates and Ruler of Dubai, this is full-tuition fellowship.
- **Second-Year Fellowships/Assistantships** – Wharton features a variety of second-year fellowships and assistantships including: Leadership Fellowships, Admissions Graduate Assistantships, Teaching/Research Assistantships, and Omnicom Communications Fellowships.

## Tuition and Cost

The following annual costs are based on information released by Wharton for the 2008-2009 academic year:

Tuition and Fees .....	\$50,430 per year*
Health Insurance.....	\$2,600 per year**
Room and Board .....	\$21,398 per year
Books and Supplies .....	\$1,736 per year
Miscellaneous .....	\$3,836 per year
<b>TOTAL.....</b>	<b>\$80,000</b>

\*Includes \$1,650 Pre-Term fee

\*\*Health insurance can be waived with proof of outside coverage.

## Federal and Private Loans

As with most graduate programs, Wharton makes available a series of loan programs that make up the bulk of each student's financial assistance:

**Federal Stafford Loan** – Available to U.S. citizens and permanent residents. The maximum dollar amount is \$20,500 and the subsidized amount can be up to \$8,500, depending on financial need.

**Federal Perkins Loan** – An interest-free loan while in school, it is a smaller loan program available to qualified students who are U.S. citizens and permanent residents.

**Federal Graduate PLUS Loans** – This loan can cover cost of attendance after other assistance has been calculated, provided the student qualifies and is a U.S. citizen or permanent resident.

**Outside Funding Options** – Once a Wharton student has borrowed \$20,500 in federal loans, they may engage with an alternative loan lender to subsidize the remaining expenses. Wharton does not advocate for any one program; however, they provide a [list of options](#) to explore. They also encourage students to identify a lender of their choosing outside of this list should they find more favorable terms.

*I have always believed that it is better to avert a strike than to settle one; once a strike is in place, it causes a lot of damage to companies.*

Adolfo Tena Morelos

The sixties stand in the collective imagination as a symbol of political, rhetoric and social rupture, when protest movement-related utopias flourished in the West, and free sex, drugs and music, miniskirts, pacifism, and demonstrations against nuclear weapons reigned. Several inventions were patented in the sixties which decades later proved to be most useful: computerized axial scanning, DuPont's powerful Kevlar polymer, the pull-tab drink can, the compact baby stroller, the computer mouse, the waterbed, and the Post-it notes.

By 1962, the Cuban Revolution had become an icon for many young, while the Vietnam War peaked in 1968. In 1969, the first man landed on the moon, while back on Earth an unprecedented economic boom ushered in a significant collective welfare in many countries. Historically, there never was such a swift and uniform growth in the world as the one that took place in that decade, even if, as the Covid-19 pandemic or Hong Kong Pandemic caused over one million dead in 1968 and 1969.

President Adolfo López Mateos faced social and labor union unrest, such as the railroad workers' and physicians' movements. López Mateos was succeeded by Gustavo Díaz Ordaz, whose administration followed the policies of the two prior administrations, especially *stabilizing development* policy. However, *Petróleos Mexicanos* for the first time did not meet domestic demand.

During the sixties, lawyers who joined the Firm between the thirties and fifties struck an intergenerational relationship. Two generations of lawyers (seasoned lawyers in their fifties and rookie lawyers in their thirties) found common ground. The young lawyers shared their bosses' daily work



Adolfo López Mateos accompanied by officials and union leaders at the Labor Day ceremony, Mexico City, May 1, 1961. © INAH MEDIA LIBRARY



Balloon vendor, Bosque de Chapultepec, Mexico City, 1960. © BOB SCHALKWIJK

routine and watched the senior lawyers befriend and lunch with politicians and businesspeople at fashionable restaurants such as Ambassadeurs, Normandie, Prendes or Club de Banqueros.

Glascock, Mijares, Rangel Medina and Tena were made partners and significantly transformed the Firm: they shared and brought a modern concept of the legal profession and, most importantly, introduced a change in the Firm's structure by determining that no partner relative could work as a lawyer with the Firm. They aimed for the Firm's institutionalization by fostering its lawyers' progress based on their personal qualities and work skills and not on their family ties.

George Graham Glascock was one of a kind: born in Mexico to U.S. parents, he attended elementary, middle, and high school in Mexico, earned his U.S. law degree, and eventually his Mexican law degree. He joined the U.S. army as a young lad, fought in the Second World War, and suffered injuries that caused excruciating life-long pain. President Dwight D. Eisenhower was a witness to his wedding.

As many others who made Mexico their home have done, his legacy to our country was most significant: he invested a large part of his estate to safeguard the environment by protecting a natural area at Bahía de Chameela in the State of Jalisco and to rescue and preserve a colonial architectural jewel on the corner of Fray Antonio de San Miguel and Diego de Basalenque Streets, in Morelia, Michoacán. His well-known lawyer skills led him to handle all Swedish investment ventures in our country and to count numerous international companies as his clients; however, what confirms his inordinate human qualities is that he was the first partner who decided to voluntarily cut his profit share for the benefit of new generations of partners. He was generous and treated everybody at the Firm with respect and affection; for that and for his good sense of humor and warmth, the staff loved and respected him.

Juan G. Mijares was the "before and after man:" he was tireless, with a lawyer's DNA that only a few have in each generation (he was well versed in all areas of law), and after being made partner, he became a driving force behind the Firm's development.

Besides his perseverance and his enormous work capacity, what distinguished him always was his intelligence. He put the cases that he handled into sharp perspective and was particularly aware of their legal effects; he was always open to examine doctrinal issues and judicial precedents related to the cases that he handled.

He addressed practical matters with a unique legal vision and a pragmatic approach and was an inexhaustible source of knowledge for all lawyers that resorted to him for advice. His particularly keen ability to evaluate persons and his unflinching determination when coping with political issues as he represented international companies in the face of authoritarian attitudes of powerful public officials, earned him in Mexico and abroad the reputation of being a lawyer of unshattered integrity. His intelligence, decency and courage governed his professional practice, and the Firm gained unprecedented momentum, as he turned it into a flexible entity attuned to the times and changes that took place during his stay in the Firm. His personal relations with remarkable Mexican and international lawyers and his expertise earned him an outstanding place in Mexican legal circles.

With others, he laid the bases for the Firm's modernity. Mijares promoted reforms and hired young lawyers to eventually lead the Firm and



President Gustavo Díaz Ordaz and First Lady, on the central balcony of the National Palace in September 1965. © INAH MEDIA LIBRARY

succeed partners who reached the age of retirement. He counseled many pharmaceutical laboratories and defended them despite facing numerous threats for doing so. Under his dynamic management, the Firm attracted many clients and expanded its legal practice, especially in administrative- and tax law matters, which led the Firm to grow rapidly. He left the Firm before reaching his age of retirement and a shortly afterward founded the law firm Mijares, Angoitia, Cortés y Fuentes, S.C.

Adolfo Tena Morelos was one of the top labor lawyers in Mexico in the twentieth century. He was the outside attorney of choice of large Mexican and foreign companies and enjoyed wide recognition and respect by companies and trade unions alike. He and other partners consolidated the development of the Firm's labor area. Thanks to his efforts, Western Airlines, Iberia, Air France and Qantas Airlines, as well as Levi Strauss and Square D joined the client roster of the Firm.

He was a member of the *Comisión de Abogados Laboralistas* [Labor Lawyers Commission] that provided input for the 1970 *Ley Federal de Trabajo de 1970* [Federal Labor Law] bill and a member of the first and second *Comisiones Nacionales para la Participación de los Trabajadores en las Utilidades de las Empresas* [National Commissions for Workers' Profit Sharing] in 1964 and 1974.

Tena Morelos even handled life-threatening cases. Besides Mr. Karl Schmidt's murder due to conflicts with fishing boat operators mentioned earlier, he handled the case of a Mr. Helfrige who had purchased new deep sea fishing boats. This did not please local boat owners, whose boats did not match the quality of Helfrige's boats and whose customers, predominantly Americans, would rather deal with a fellow citizen and lease more modern boats.

The local boat owners' union threatened Helfrige with a strike. Although a collective bargaining agreement drafted by Adolfo Tena had been signed, the boat owners were not pleased. The following Sunday Mr. Helfrige was shot dead in the Acapulco Main Square. Adolfo Tena received a death threat and could not go to the port for over one year.

Another high-profile case that he handled involved Aceros Nacionales (which years later would be acquired by Altos Hornos de México). Aceros Nacionales was in the brink of going out of business due to a long-lasting strike. Thanks to Tena Morelos's crucial negotiations with Napoleón Gómez Sada, the trade union secretary general, and other local labor leaders, an agreement was signed that put an end to this conflict.

Due to the new partners' hard work, Antonio Correa Martínez had time to interact with international celebrities such as Paul Getty, Howard Hughes, Daniel K. Ludwig, Aristotle Onassis and others, and to make them clients of the Firm. They all were, and some still are, an important part of the Firm's traditional clients.

In the sixties and seventies, the Firm handled a major project for Daniel K. Ludwig, who was number 1 on the Forbes 400 List, and described by Wikipedia as one of the multimillionaires of the time least known to the public. The project involved the Guerrero Negro and Scammon lagoons (the latter was named after Charles Melville Scammon, a 19th-century New England sea captain, and is now known as Laguna Ojo de Liebre), located on each side of parallel twenty-eight, on the Baja California peninsula. It is a gray whale mating area, and the lagoons span over large flat and waterproof expanses of ground which are best suited for natural salt pans. This

Aerial view of the salt depot and cargo port in Guerrero Negro, Baja California Sur, ca. 1966.  
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geographical characteristic, plus other environmental features of the zone, were and still are the basic ingredients for what at one time was the largest saltworks in the world. Salt is produced based on seawater evaporation and is a renewable natural resource. The remote location of the place and the lack of drinking water and other infrastructure as well as the size of the investment that was required would have discouraged most investors. Ludwig, one of the wealthiest magnates in the world at the time whose extraordinary vision and determination turned him into a global shipping and real estate magnate, was undaunted.

Ludwig had considerably increased his fortune after the Second World War on a quite simple notion: building huge merchant ships to carry bulk cargo at a low price per ton. He used this method to make the salt business

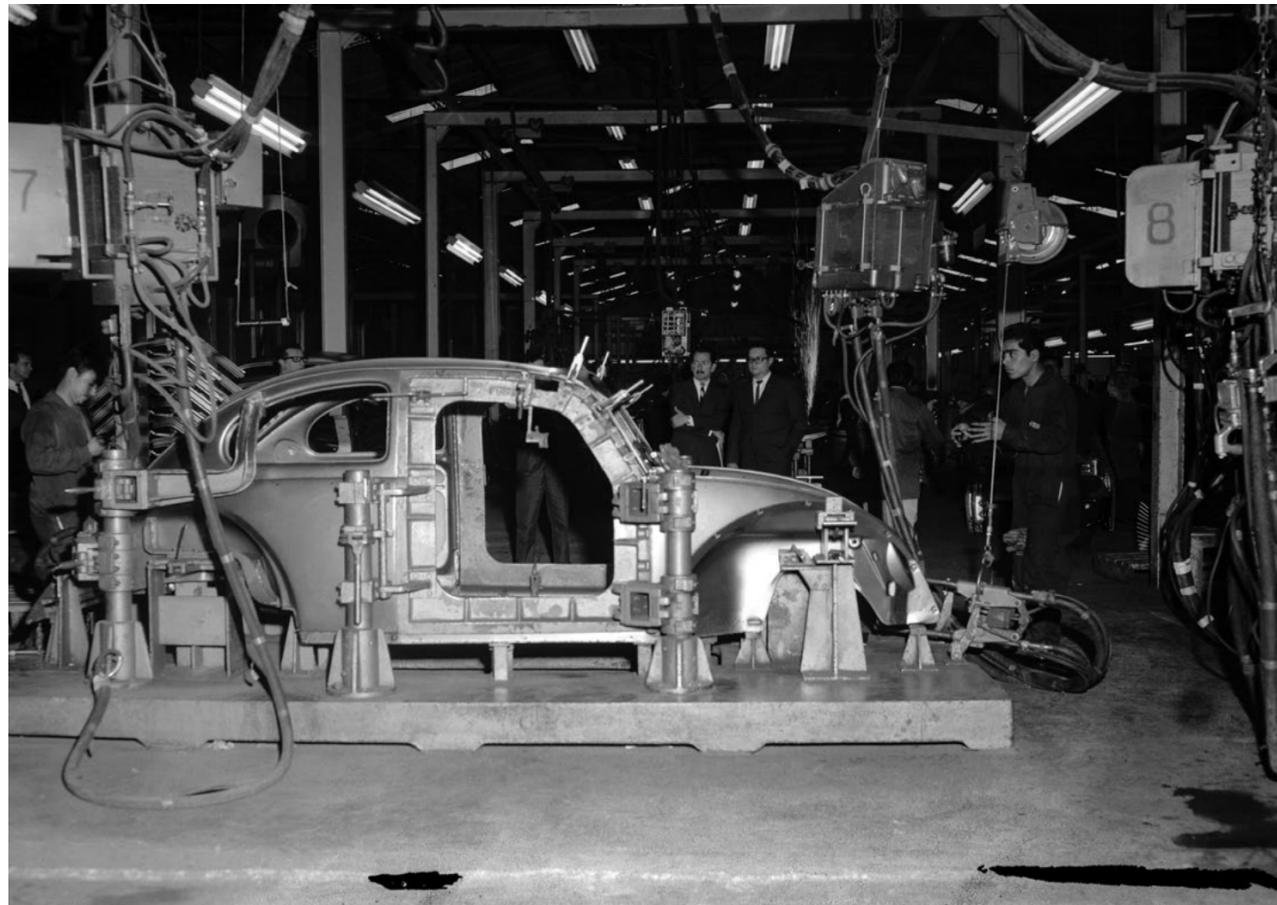
Salt conveyor belt, salt works at Guerrero Negro, Mulegé, Baja California Sur, ca. 1968.  
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possible. After an investment that was one of the largest ever made in Mexico up to then, Ludwig succeeded in putting his triangulation scheme in place: he supplied salt from Mexico to the United States and Japan to meet the requirements of their chemical industries and provided complementary transportation services with his ships among the three countries.

Many of the Firm's lawyers devoted considerable time to this enormous project. Listing the details of the project would call for a book. The operations of Exportadora de Sal, founded by Ludwig in 1954 to become the largest saltworks in the world, involved the federal government and the governments of Baja California Norte and Baja California Sur. Ludwig founded a town, Guerrero Negro, in the middle of nowhere, built an airstrip for his own aircraft to carry provisions and satisfy all the project's needs, set up land communication equipment, built a port and eventually radically modified Cedros Island to receive the non-stop flow of salt from its place of extraction in large barges built for such purpose and from there load it on the ships that would carry it to its destination. This salt transportation operation at one time was the biggest in the world.

Juan G. Mijares worked actively to ease out strained relations with officials of what at the time was the *Secretaría del Patrimonio Nacional* [Ministry of State-Owned Assets]. Since Guerrero Negro was in the free zone, imports were subject to a simplified importation system, which was used to bring into Mexico the large equipment needed to work salt, such as 5,000-ton barges and gigantic trucks capable of carrying up to four hundred tons of salt. The Customs Bureau claimed that Exportadora de Sal did not abide

Volkswagen de México production plant, Puebla, ca. 1967. © INAH MEDIA LIBRARY



Students demonstrating in front of the Monument to the Revolution, Mexico City, 1968. © INAH MEDIA LIBRARY

by certain formalities and tried to attach all the equipment. After difficult and occasionally violent confrontations with tax inspectors, Paulino Olavarrieta, an associate at the time, got the equipment released.

With the Firm's assistance, Ludwig later bought the Pierre Marques Hotel in Acapulco from J. Paul Getty, the oil mogul, and next to it built the Princess Hotel. Both hotels to this day still are icons in that world-renowned port. Lawyers of the Firm, led by Javier Becerra Hernández, went over the archives of the Chilpancingo and Acapulco Registers of Property, and identified and updated the information on all the land lots that were to be purchased. After negotiating with the actual and alleged landowners and the *Junta de Mejoras Materiales* [Public Works Board] and other Acapulco authorities, the land purchase was finalized in 1971.

The lawyers traditionally gathered for a Christmas dinner hosted by Antonio Correa Martínez. In December 1971, they gathered for the first time at the University Club. The Christmas dinner eventually included the

interns and the administrative staff, and then it was necessary to find larger venues, such as the ballrooms of Mexico City hotels.

In the sixties, Volkswagen de México was incorporated, purchased the land for its plant in the outskirts of the city of Puebla, and completed the construction of the plant. The Firm was always behind these milestones, in a relationship that endures to this date. The company faced pressure from local peasants who claimed money in addition to the purchase price that the company had originally paid. The successful defense was based in part on agrarian law studies drafted with Ignacio Orendain Kunhardt's active participation.

Antonio Correa Martínez and David Rangel Medina invited Ronald M. Eshaya to join the Firm. Eshaya, a U.S.-nationalized Bulgarian lawyer specialized in intellectual property, organized, structured, and consolidated the patents area and strengthened it with the young Eduardo Correa Estrada from the civil law area, and Antonio Dávalos y Osio from the tax law area.

There were two classes of partners in the Firm in the sixties and early seventies: the partners of the Firm as such and the industrial and intellectual property area partners (Eshaya, Correa Estrada and Dávalos y Osio). When Eshaya retired years later, Correa Estrada and Dávalos y Osio became partners of the Firm.

The Firm's industrial and intellectual property area handled many high profile cases in the sixties: as a result of the Firm's effort, the Bulova brand achieved the status of well-known trademark, which originated the well-known trademark doctrine in our country, in line with the 1883 Paris Convention, which Mexico joined in 1903; the Vazquez Blumer vs. General Motors patent case involved the infringement of a bumper design on some car models (the Mexican patent owner sued General Motors for allegedly infringing his rights). The Firm successfully defended General Motors, as the courts ruled that it had not infringed any patent rights; in 1963 the Firm secured the cancellation of the Cadillac brand registration in Mexico that had been granted to distinguish clothes (the alleged patent owner wanted to take advantage of the renowned Cadillac brand, owned by General Motors' Cadillac Motor Division).

The partners decided that it was the right time to lure new and younger lawyers to assure the Firm's continuity. To this end, in 1964 Paulino Olavarrieta Uralde joined the Firm in the tax law area and Pedro Gil Elorduy (who unfortunately passed away in March 2021) joined the labor law area. Shortly afterward, Carlos Escalante Conde and Javier Becerra Hernández joined the corporate law area, Ignacio Orendain Kunhardt joined the tax law area and Jorge Gómez Saldaña joined the labor law area. All would passionately work to further the Firm's undertaking.

During these years, the number of clients and cases kept on growing and the workdays got longer. The young lawyers faced the challenge relying on the knowledge and expertise of the lawyers of the prior generation, and it was not uncommon to find them working at two and three o'clock a.m.

Guillermo Aguilar de la Torre, Héctor Calatayud Izquierdo and Luis René González Duarte joined the Firm as interns from 1966 to 1969 in the corporate law, labor law and immigration law areas, respectively. They eventually were made partners.

In 1968, social unrest found its way to Mexico from Europe and the United States and triggered the student movement of that year in Mexico





Lawyers of the Firm and their assistants during a celebration, 1968.

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City, which lasted from July 28 to October 2. That day, October 2, while visiting some friends in the Mexico City Nonoalco Tlatelolco housing complex, Paulino Olavarrieta was startled by machine gun rattle and became a reluctant witness to the tragic events, which he reported to the Firm by phone. Notwithstanding that what led to the repression and massacre of that day is still hotly debated, the fact is that ten days later, on October 12, the opening ceremony of the 1968 Summer Olympics took place in Mexico City against all odds, and that two years afterward, in 1970, Mexico hosted the World Soccer Championship. Mexico thus gained the reputation for being a trustworthy country facing the future with certainty.

In 1969, the Firm moved its headquarters to 123 Liverpool Street, in what at the time was the trendy *Zona Rosa* [Pink Zone] in Mexico City. The site was chosen due to its closeness to several government offices, such as the Federal and Local Conciliation Boards, the Federal District (now Mexico City) Treasury Department, the Federal Tax Court, and the Local Civil Courts, as well as the ease of transportation offered by the Subway Line 1. Those of us who worked there still remember it fondly.

The *Zona Rosa* was then the favorite meeting place of celebrities who gradually deserted the downtown area; it was a microcosmos, where immensely popular restaurants were established, some of which still exist today: La Calesa de Londres, Focolare, Bellinghausen, Casa Bell, Raffaello, and El Estoril. In those years, the *Zona Rosa*, with posh nightclubs and bars aplenty, was as glamorous as the Polanco and Santa Fe districts are now. Big-name fashion brands set up stores there and the nightclubs where the big-name performers of the time sang became mythical.

On December 1<sup>st</sup>, 1970, Luis Echeverría Álvarez was sworn in as President of the Republic, and his administration was to be characterized by its left-leaning and authoritarian tendencies.

*A client is the single most important person to the Firm; he is the purpose of our work, not the interruption of our work; he is not dependent on us, we depend on him.*

Javier Becerra Hernández

In many ways, the seventies seem to have boosted the trends that were fashionable in the sixties, both socially and culturally, as well as politically and economically. With the Cold War at full gear, most of the West suffered widespread protests by a vast sector of society. The economic and technological boom faced the crisis created by the OPEC oil embargo. Major inventions take place, such as the artificial heart, the use of wind power, the extraction of energy from sea waves, magnetic resonance scanning, the Walkman, and the smart card.

Mexico was not alien to international events. Luis Echeverría promised a democratic and inclusive government, with open political and social leaders, and sought to meet the new generations' demands for change with an internal self-sufficiency-based and export-oriented economy. His reform project attempted to correct the limits of the so-called *stabilizing development* model of the preceding administrations to achieve greater social justice and a more equitable distribution of wealth.



Mexican President Luis Echeverría meeting with former Argentine President Juan Perón in Paris, April 1973. © INAH Media Library

None of these goals were achieved. The government's populism seriously affected the country by setting maximum prices to some products, proposing an economic program based on an export-oriented product manufacturing scheme, "emergency" wage increases and the nationalization of the economy by creating state-owned companies and trusts that controlled all types of business activities; at the end of Echeverría's administration, around 75% of the economic activities were in the hands of the State.

These measures and the government's protection of trade union leaders that struggled for union certification, far from contributing to economic development, led to stagnation and at the end of Echeverría's six-year term triggered a dramatic inflation and devaluation, as well as an increased loss of jobs.

The drafting and enactment of an exorbitant number of laws were encouraged. The Firm found new service areas because of the *Ley de Inversiones Extranjeras* [Foreign Investment Law] and of statutes to control payments for foreign technology transfer and trademark use licenses. An attempt was made to implement a linked trademark system; i.e., the obligation of using a foreign trademark together with a Mexican trademark or name. This gave rise to stiff opposition before the Courts by the foreign trademark owners. Imports were subjected to full government control and illegality was embedded in labor matters with strikes that disregarded the decisions issued by Conciliation and Arbitration Boards. The Ministry of Industry and Trade took coordinated actions against subsidiaries of foreign companies. Insecurity turned into social calamity. A wave of kidnappings of industrialists and high-ranking businesspeople ensued. Verbal aggressions against business representatives became commonplace.

In this context, Antonio Correa Martínez retired and Antonio Correa Arratia, Pedro Gil Elorduy and Paulino Olavarrieta Uralde were made partners; their youth and the maturity of those who were partners at the time helped the Firm to face the above-mentioned problems successfully. Antonio Correa Arratia's contemporaries see him as a lawyer that inherited his father's great qualities and thus took part in several projects; however, he soon decided to leave the Firm to run several companies that he had inherited and that became clients of the Firm.

Pedro Gil Elorduy formed a successful team with Adolfo Tena Morelos. His arrival in the Firm was primordial due to the enormous amount of work in the labor area in those years, which led to the Firm's decision to use the mezzanine on the Firm's premises on Liverpool Street exclusively to handle negotiations of collective bargaining agreements. Perico (as he was known in the Firm) was always congenial, had a good relationship with everyone, and was beloved by several generations of lawyers that were fortunate enough to interact with him at the workplace or on social occasions. These qualities helped him to have particularly important relations with the main trade union leaders and labor authorities and to earn the trust of many companies which he represented. After a couple of interviews with the Deputy Minister of Labor, Pedro settled a serious problem faced by Woolworth.

Paulino Olavarrieta is the kind of lawyer that every corporate law student wants to resemble. A born leader, Paulino has a very sharp approach to everything legal and is a tireless promoter; he was a key factor behind the Firm's speedy growth in the nineties. By the time of his retirement the number of clients had significantly increased, and the Firm had ninety-two

lawyers. He was visionary enough to join the International Fiscal Association (IFA) in the seventies, was a member of IFA's Permanent Scientific Committee, and forged ties with European and Asian companies and law firms. He was a member of boards of directors of many companies and a mentor to the new generations of lawyers; many of us are thankful for the useful recommendations that he offered. Among the many clients that he attracted, are Tetra Pak, Ford Motor Company, and Interpublic Group of Companies, one of the five world leaders in the field of advertising; he also attracted many Mexican clients. Before reaching his age of retirement, he decided to open his own law firm, Paulino Olavarrieta, S.C.

Olavarrieta's boldness and courage when facing complicated issues in his professional practice, with great personal magnetism, derived from his own life experience. He frequently kept in touch with government officials, state governors and diplomats of various countries and regularly met with top-ranking officers of various American and European parent companies.

One barbasco variety is a plant that originated in Mexico. Said plant was used to make diosgenin, which was used to make contraceptive pills. Peasants picked and sold barbasco to intermediaries who resold it to pharmaceutical companies. One of such companies was our client, Searle de México.

Several legal problems in the seventies involved barbasco, and the State of Chiapas implemented a tax on its production. Paulino Olavarrieta, on behalf of contraceptive pill manufacturing companies in Mexico, traveled to Tuxtla Gutiérrez to file an amparo and, after securing the suspension of the tax, paid a visit to one of the production sites, where he was received by a state government official who, upon reviewing the certified copy of the ruling issued by the District Court, pulled out a pistol, pointed it at Paulino, and said: *I think your suspension won't stop a bullet*. It was necessary to call upon Manuel Velasco Suárez, who at the time was state governor, to continue with the barbasco operations, after executing an agreement with the pharmaceutical companies by means of which a donation was made to build schools.

Luis Echeverría later claimed the intermediaries were paying next to nothing to the peasants for the barbasco and set a minimum price, which led to the production, after research (headed primordially by Searle), with chemical substitutes; thus, a measure that, on reasonable bases, could have been beneficial, led to the peasants' total loss of income. The case of barbasco is living proof of the government mismanagement that the Firm faced in that decade, and which led to a huge loss for Mexican economy and specifically for the peasants that it allegedly sought to help.

During Echeverría's administration, the companies constantly faced labor problems due to union certification-related strikes and demands for wage increases before the expiration of the legal effective term of collective bargaining agreements. Even though motions were filed to declare the strikes unlawful, in some instances and as a means of pressure, these motions were not resolved by labor authorities, or the workers did not abide by the rulings that declared the strikes unlawful, and refused to pull down the strike banners and to go back to work, as was the case of Chicle Adams and Compañía Medicinal La Campana, which the Firm counseled.

During this decade and in this context, the Firm represented various airlines. With Adolfo Tena Morelos's legal advice, Mexicana de Aviación, Varig and other airlines formed a common front against strike calls by the *Sindicato Nacional de Trabajadores de Aviación y Similares* [National Aviation

Workers' Union]. Porfirio Muñoz Ledo, who at the time was Labor Minister, told Adolfo Tena that the companies that he represented would face retaliation since, considering the number of companies he represented, Tena Morelos was allegedly obstructing President Echeverría's projects.

On another occasion, and due to the review of Air France's collective bargaining agreement, said trade union called a strike against the company. This strike call was made to match the French President's visit to Mexico on the new "Concorde" jet plane. This official visit was used by the trade union to force the acceptance of its bill of petitions. During the negotiations, the trade union secretary general stated: *We do not mind the French President flying over on the Concorde; the problem is that he will not be able to go back home on such plane, as the union will not serve it.* The conflict was solved after intense negotiations in which the Firm successfully participated.

In 1973, Enrique Correa Martínez, Fernando Correa Martínez and Alfred Ronstadt retired and Juan Francisco Torres Septién passed away. Eduardo Correa Estrada and Antonio Dávalos y Osio were made partners in 1975; Carlos Escalante Conde was made a corporate area partner, Jorge Gómez Saldaña was made a labor area partner, and Ignacio Orendain Kunhardt, was made a tax area partner.

Eduardo Correa Estrada, an Escuela Libre de Derecho graduate, worked for forty-three years in the Firm. He was a vice president of (*Asociación Interamericana de la Propiedad Intelectual*) (ASIFI) and chairman of *Asociación Mexicana para la Protección de la Propiedad Intelectual* (AMPPI). Many industrial and intellectual property area clients highly regarded him. He retired from the Firm in 2001 and was the last member of the Correa dynasty in the Firm.

Besides his work in the industrial and intellectual property area, Antonio Dávalos handled technology transfer matters and the registration of contracts before the new authority resulting from the enactment of the *Ley de Transferencia de Tecnología de 1976* [Technology Transfer Law 1976]. He was the trusted lawyer of many companies. He secured an especially remembered favorable ruling when he defended the Cartier brand against its unauthorized use and the opening of a store bearing such brand name which led consumers to error or confusion. This case was the source of

Firm members at a meeting, ca. 1973.  
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Staff of the Firm's Intellectual Property Department, 1972. © BASHAM, RINGE Y CORREA, S.C.

such indignation that, during the pendency of the proceeding, diplomatic complaints were filed by the French government. Antonio Dávalos was the chairman of LES México (Licensing Executive Society); he was a music lover and opera buff. He founded Pro Opera, A.C., to promote young talents; the Premio Antonio Dávalos y Osio was created to honor him. He unfortunately passed in 1992, after a long-lasting fight against disease.

During the seventies, the Firm's industrial and intellectual property area grew significantly. It served many clients, such as Ford, Chrysler, Volkswagen, Kodak, BASF, Sony, Ericsson, Chanel, Cacharel, Mitsubishi, and Pedro Domecq. Such decade was characterized by the discussion in several international venues such as the World Industrial Property Organization, the United Nations Conference on Trade and Development (UNCTAD), and the United Nations Educational, Scientific and Cultural Organization (UNESCO), of the huge differences between developed and developing countries. The closed economy model of Mexico and other countries, especially some Central and South American and African countries, was also a source of debate.

Although Mexico's intellectual property system was part of the framework of international treaties, such as the 1883 Paris Convention and the 1886 Berne Convention, it became restrictive and, under the Inventions and Trademarks Law of the time, patents were in effect for a non-renewable ten-year term.

This decade gave rise to major concerns among the clients of the Firm regarding the protection of trademarks and especially of technology and copyrights, at a time when intellectual property was considered a non-tariff barrier, intellectual property rights infringements were widespread and difficult to fight, as there were no proper antipiracy legal tools. Things got so delicate that during an official visit to Mexico paid by Valéry Giscard, who at the time was President of France, the official agenda included the subject of intellectual property rights violations.

Carlos Escalante Conde was an extraordinary mining law expert, one of the best lawyers in the field in the twentieth century. All his clients were



Lawyers and collaborators of the intellectual property area of the Firm, 1972.  
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foreign, mostly Canadian and Australian mining companies. His mining law knowledge was such that geological engineers could sustain a constant dialog with him on extractive processes, as if Carlos were one of them. He was always enormously productive, but due to personal reasons he decided to retire from the Firm in 1989 and to practice his profession no longer.

Jorge Gómez Saldaña was made a labor area partner for the same reasons that three years earlier Pedro Gil Elorduy had been: the excessive increase of labor problems during the Echeverría administration. He and Pedro Gil and Adolfo Tena formed a formidable labor area which was a watershed at the time. A shrewd lawyer, he practically knew by heart the Federal Labor Law and the judicial criteria applicable at the time. His love for sports, which he practiced every day, confirms the benefits of a healthy life, as he has reached the age of eighty-five in perfect shape.

Ignacio Orendain Kunhardt has been a great person, a poet, and a writer all his life, but more particularly he has been always an excellent lawyer specialized in handling tax and administrative law-related amparos. It is no wonder that for several decades he was a postgraduate professor at Universidad Panamericana. He and Paulino Olavarrieta and Luis Ortiz Hidalgo shaped a talented and skillful tax area that has always been ranked among the best in Mexico. His many achievements include handling major cases for The Coca-Cola Export Corporation, such as the defense of this company against claims by Pepsi Cola and Big Cola filed with the *Comisión Federal de Competencia* [Federal Competition Commission] (now the *Comisión Federal de Competencia Económica* [Federal Economic Competence Commission]). His work in this case was so that he was invited to join the group headed by the President Commissioner to draw up the first Regulations of the Federal Economic Competence Law. During the difficult seventies and eighties, Ignacio Orendain handled cases related to pharmaceutical laboratories doing business in Mexico. The government promoted a rigid control of official prices for certain products, including medicines. Ignacio Orendain successfully filed administrative appeals and amparos on behalf

of Merck, Sharp & Dohme, Janssen Farmacéutica, Eli Lilly, Compañía Medicinal La Campana (which later changed its name to Warner Lambert), Cyanamid and Boehringer Ingelheim, among others.

Ignacio Orendain's and his direct staff's work was the base for two rulings that were big achievements in tax and administrative matters. One of them was issued by the Second Chamber of the Supreme Court of Justice, which declared unconstitutional an amendment to the Income Tax Law that contravened the non-retroactivity principle of law, as it impaired a vested right to deduct in several years and not only in a single fiscal year, as the amendment intended. The other decision was issued by a Federal Circuit Court in Administrative Matters in favor of several laboratories, by means of which said Court correctly ruled that an order to shut down an establishment is not a *fait accompli*, as it negatively affects the operation of the company until such order is cancelled, and therefore it is proper to grant the permanent suspension of the contested act.

In 1976 the government drafted a new economic program, the *Desarrollo Compartido* [Shared Development] program with zero results due to excessive public expenditure, and scant private investment because of the companies' caution caused by the threat of a tax law reform aimed at taxing capital gains, which in turn gave rise to capital flights and a drop in



Mexican President José López Portillo and French President Valéry Giscard d'Estaing at an official ceremony, Mexico City, 1979.  
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tax collection. This scenario led to an almost one hundred percent peso devaluation, after several decades of exchange rate stability, and to a precarious beginning of José López Portillo's administration.

During the administrations of Presidents Echeverría and López Portillo, the Firm, like other law firms, operated in a climate of constant confrontations between the government and private sector, facing laws, executive orders, and agreements that did not favor the activities of the clients of the Firm. During this decade, the Firm was a young organization, as the ages of its partners ranged from 35 and 55 years and that of its associates ranged from 22 to 33 years.

In 1978, a partners' meeting made Javier Becerra Hernández partner. Besides his inborn teaching talent, he is an extraordinary lawyer that promoted the development of the Firm's corporate area, to the extent that his influence endures to this day, and later led to making new partners. He has a postgraduate degree from Trinity College of the University of Cambridge, and his work capacity is legendary; he is fluent in English, to the extent that a non-native English speaker cannot match. He is the son of the renowned civil lawyer José Becerra Bautista, the author of several civil procedure textbooks used for decades by Mexican lawyers. Javier also authored two books which are continuously consulted by all Mexican business lawyers: the *Diccionario de Terminología Jurídica Mexicana* (Español – Inglés) and the *Diccionario de Terminología Jurídica Norteamericana* (Inglés – Español) and for several years has taught legal English in his *alma mater*, the Escuela Libre de Derecho. A tireless Firm promoter, the numerous clients that he attracted include Eastman Chemical, Hilton, JCPenney, Reckitt Benckiser and Interbrew, a Belgian brewing company which is one of the largest companies in Europe and that in 2004, merged with Ambev, a Brazilian company, to later form AB InBev, the largest brewing company in the world.

The many relevant cases that Javier Becerra handled for the Firm include the design, drafting and negotiation of many contracts for Parque Industrial de Nogales, Sonora, that later served as a model for similar developments in other border cities, besides the exceptional role that he played in the construction of the Princess and Pierre Marques hotels in Acapulco and in connection with the Tres Vidas hotel in the same port and with a Marriott hotel in Cancún. With Juan Mijares, he acted as counsel in the purchase of Fábrica de Chocolates La Azteca, the venture between Femsá and Coca-Cola, the acquisition of many companies by Federal Express Corporation (now FedEx), and the sale of the Mexalit shares of stock.

Folke Egerstrom, a Norwegian national and renowned businessman of the telephone industry and an equestrian jumping buff, was a distinguished client of the Firm those years. Mr. Egerstrom had his home and stables and facilities for equestrian exhibits in Club de Golf La Hacienda, in the State of Mexico, that were designed by the renowned architect Luis Barragán. Mr. Egerstrom bought a mare in Germany that suffered a leg injury aboard a ship that was bringing it to Mexico; due to this, Mr. Egerstrom needed to urgently secure an import permit and requested the Firm's assistance. In response to his request, Paulino Olavarrieta met with the General Trade Director, the official that had to sign the import permit. After receiving an explanation of the case, and notwithstanding its difficult nature, the director signed the permit. From that date on, Paulino Olavarrieta became a personal advisor to Mr. Egerstrom and his companies, in a relationship that lasted many years.

A high-profile case that the Firm handled in 1976 was the transportation to Houston, Texas, of Mr. Howard Hughes, an eccentric and hypochondriac U.S. magnate who lived his last years isolated in the last floor of the Princess Hotel in Acapulco, and who always resorted to the Firm for legal assistance in our country. Eugenio Aguirre Argüelles and Guillermo Aguilar de la Torre handled Mr. Hughes transportation and the unjustified arrest of Mr. Hughes's staff in Acapulco involved in his transportation.

The Firm also handled a case that turned into an anecdote with the passage of time. The administrator of the Tijuana Customs Office served a notice on Minera Frisco regarding the verification of the goods that Minera Frisco needed to import through that customhouse and to determine the applicable tariffs. Paulino Olavarrieta and the customs broker that the company retained attended to this matter and at the end of the verification the company's chief executive officer gave Paulino Olavarrieta a Chinese glass float that had been dragged ashore by the currents after a ten-thousand-kilometer trip. The float gave rise to an argument with the Head Customs Official, who claimed that it could not be imported because it was a prohibited good. Paulino asked the official to show him the statute that prohibited importing the float; since the official could not produce the statute, he relented and authorized the importation.

In an international context of great economic boom, during the López Portillo administration the Mexican economy took a turn for the worse that was disconcerting to many: after a spectacular 8% growth in 1979, the economy overheated in 1980 and the government anti-business policy worsened.

There was the paradoxical case involving the pencil making companies in our country. The wood used to make pencils must have special characteristics; there are no trees in Mexico with such characteristics. The Customs Bureau rejected the tariff classification used by the companies that imported the wood and attempted to set import controls and high tariffs on this wood. To fight such attempt before the Federal Tax Court, the Firm's tax area lawyers previously studied the three species and families of trees used to make pencils and those trees existing in Mexico; the study included the treatment of wood with saturated wax and the cutting and insertion of graphite. Based on this study, several complaints were filed on behalf of Berol and other clients in the same industry, whose outcome was favorable. In addition, the Firm was able to limit the importation of low price and poor-quality pencils from the East, which had flooded the Mexican market.

Due to the amendments to the Income Tax Law and the enactment of the Value Added Tax Law, tax cases before the Ministry of Finance and Public Credit rose significantly. In addition, and in view of the health standards applicable to medicinal and food products, the Firm created a special department to attend everything involving the Ministry of Health and Welfare. Luis René González Duarte, who also handled the Firm's immigration matters, headed the new Department.

The government took actions against laboratories in Mexico that were affiliates of foreign companies. The latter and their Mexican affiliates, represented by Juan Mijares, tenaciously fought the government actions. Paulino Olavarrieta, on behalf of Carnation de México, the maker of evaporated milk, engaged in tireless battles to import powdered milk, butyric fat and tin sheet that were not sufficiently produced in Mexico. The government

policy got tougher and securing permits to import ingredients became extraordinarily complicated.

The government pressure increased on companies by means of customs and tax inspection visits and, as a result, the number of lawsuits in connection with these matters increased. The Firm then resorted to filing amparos against all customs inspection visits and thus avoids the suspension of the companies' productive activities. These matters were entrusted to Ignacio Orendain Kunhardt, Luis Ortiz Hidalgo, Paulino Olavarrieta Uralde and Gerardo Hernández Reyes. In fact, the Firm set the bases for a legal practice in customs matters that did not exist before in our country, as such matters were basically handled by customs brokers and their agents.

In early 1980, the director of Import Permits of the Ministry of Industry and Trade told The Coca-Cola Export Corporation, Mexico Branch, that it had to disclose to the Mexican government its process to make the syrup used to make Coca-Cola. The Ministry of the Treasury, in coordination with the Ministry of Industry and Trade, rejected the tariff classification used up to then by The Coca-Cola Export Corporation, Mexico Branch, to import such syrup. The tariff classification that the authorities were intent on applying involved an outrageous amount of taxes. Finally, after a thorough debate, both parties reached a satisfactory agreement.

The number of clients and cases that the Firm had in 1980 called for the appointment of new partners effective January 1st, 1981; thus, Guillermo Aguilar de la Torre, Héctor Calatayud Izquierdo and Luis René González Duarte, were made partners.

Guillermo Aguilar de la Torre, an extraordinary corporate lawyer, always kept the legal structure of many companies in good order; mentioning each company would fill several pages of this book. Each month, he handled hundreds of minutes addressing various issues. In an organization in which English is a basic requirement, his knowledge of the language, together with Javier Becerra, was awesome. In addition, he is fluent in French and can clearly and easily communicate with officers and lawyers of French companies. He attracted many clients to the Firm, such as Nalco, a world leader in water processing and treatment optimization; and Faurecia, a world leading auto parts maker that now has over 15,000 employees and workers in Mexico.

Héctor Calatayud Izquierdo is also an Escuela Libre de Derecho graduate. He is a man serious in purpose and character, with a profound sense of justice and a deep legal experience, which has always made it easy for him to issue well-grounded opinions in different branches of law, even though he does not handle them on a daily basis. This quality allowed him first to know in detail the labor area in the years in which he practiced labor law under the direction of Adolfo Tena; he later became a great civil lawyer and afterward, even though he did not directly practice criminal law, became an outstanding mentor of Francisco Tiburcio in the criminal area. His impeccable and legendary ability to draw up briefs and communications for clients is remarkable. He was no doubt one of the major and most influential partners in the late twentieth century. He built a great civil law area and then a criminal law area, which last to our days and are a strategic part of the development which is so characteristic today in the Firm.

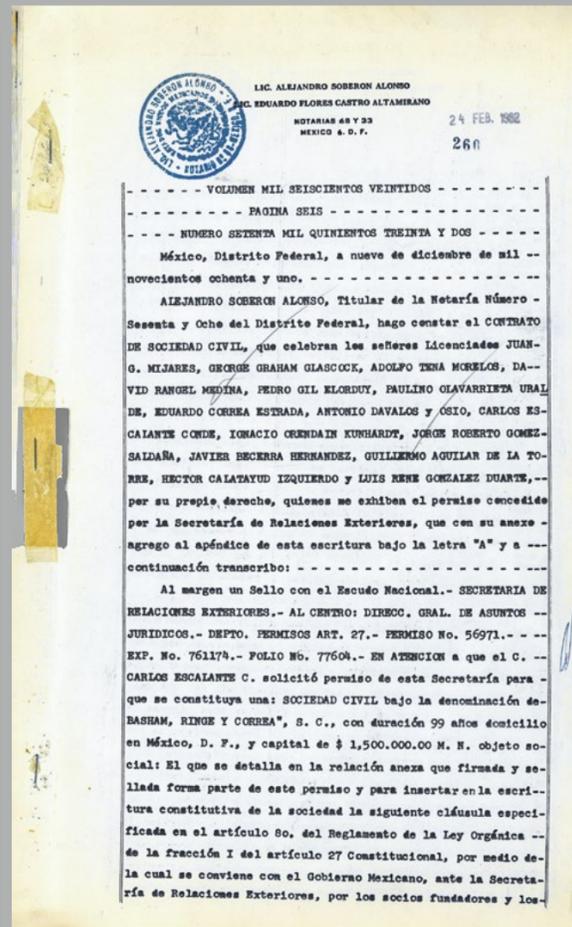
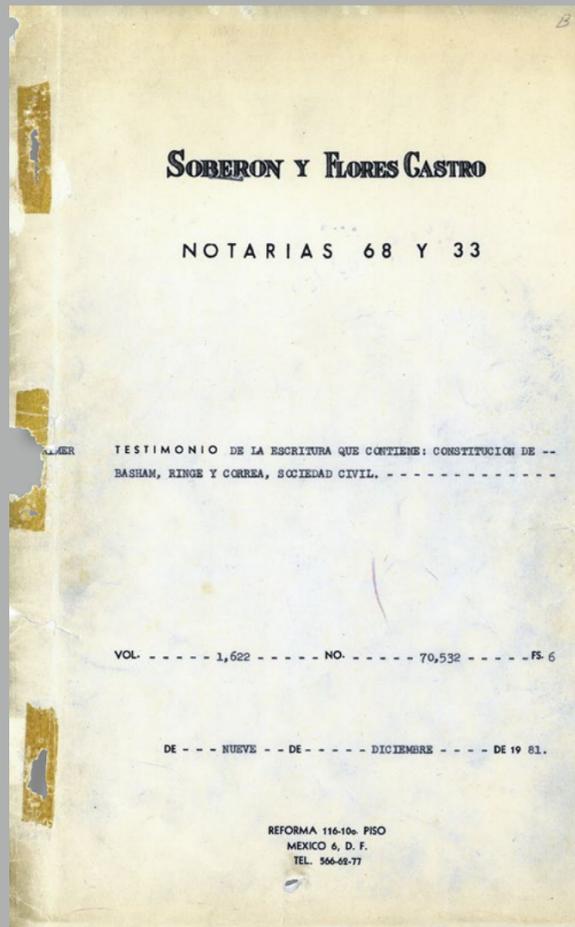
Just like Graham Glascock, Héctor Calatayud also decided to gradually reduce his share in the Firm's profits, and effective December 31, 2001, he resigned his partnership to engage since then as counsel to the Firm.

He will be remembered for, among other things, being the lawyer with the longest career in the Firm: he joined the Firm as an intern in January 1967, so by the time that the Firm turns 110, Héctor's career will have spanned over fifty-five years. That is how long he has been a role model for new generations.

Héctor was made partner due to strategic reasons: after Fernando Correa Martínez's retirement and Juan Francisco Torres Septién's passing, the Firm had been forced to retain the services of outside specialized lawyers in civil and commercial lawsuits, while it reshaped its litigation area. This was achieved with the leadership of Héctor Calatayud, and the support of Ignacio Nieto Kasuski and Ricardo Luis Hernández Garfias. One of the first cases handled by Héctor Calatayud and his team was the complaint filed by the owner of a Marriott-operated hotel. This was an overly complex case, the money stake was extremely high, and it was a challenge for the lawyers that handled the lawsuit. The lawyers and the client prevailed.

Luis René González Duarte consolidated the immigration area and turned it into what it is today, and in addition successfully handled the health area. He led a highly active social life and forged a close friendship with several legal directors of major companies in Mexico. This helped him on several occasions to coordinate projects that involved different areas. He will always be remembered as an affable person who staunchly supported the new generations of lawyers. Unfortunately, he passed in March 2021.

During this decade, the Firm's relations with Price Waterhouse, Deloitte, Plender Haskins and Sells, Arthur Andersen, Arthur Young (which later merged with Ernst Whinney to form E&Y) and Coopers & Lybrand, intensified, as did its relations with major foreign law firms. In December 1981 and due to the new tax legislation, the Firm decided to become a professional partnership and took a step further in its consolidation. This transcendental step was included in the notarial instrument whose first page is reproduced on page 112.

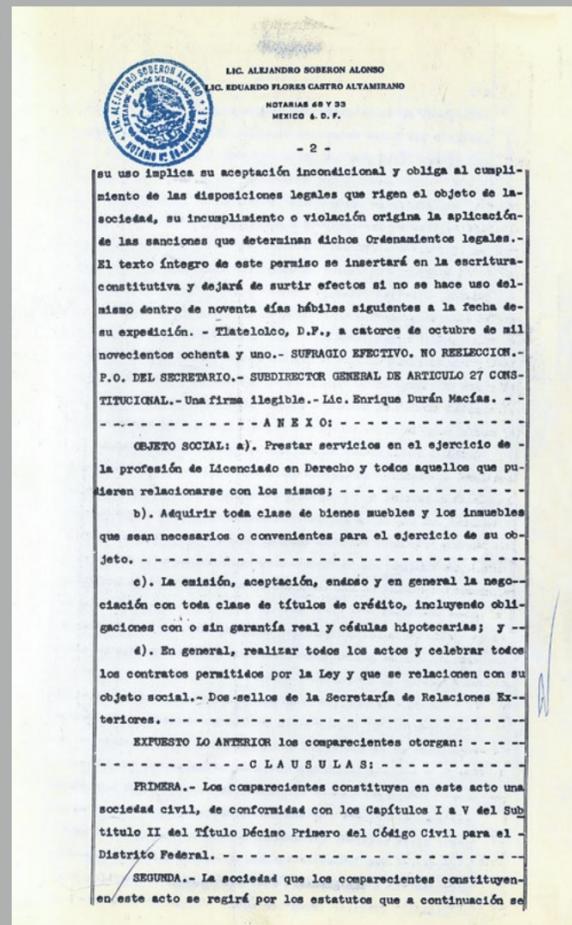
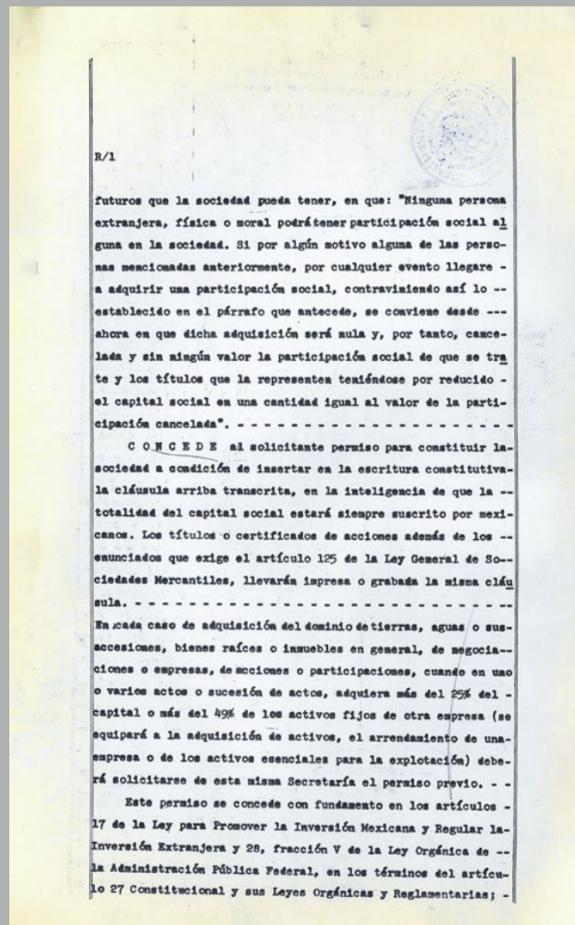


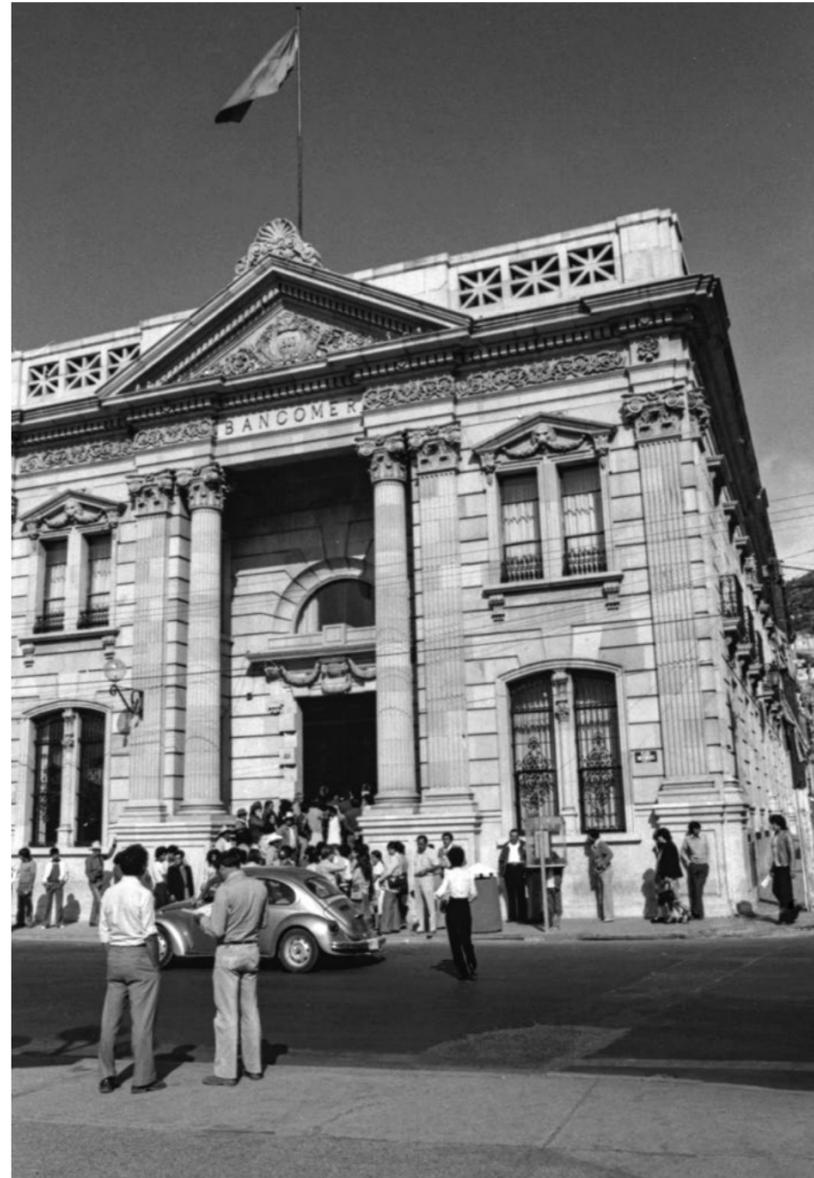
Complaints must be short, concise, and cleverly drafted.

Luis Ortiz Hidalgo

This decade will be remembered for the beginning of the HIV pandemic, which caused thirty-three million deaths and forty million infected patients. Fortunately, with a proper treatment, it has become a chronic non-fatal ailment. These were the years of the Ronald Reagan and Margaret Thatcher administrations, who, besides following neoliberal ideas, sought to contain and fight the totalitarian regimes of the time. The Cold War tensions between the United States and the extinct Soviet Union aggravated and ended in 1989 with the symbolic demolition of the Berlin wall. Famines

President José López Portillo on the National Palace balcony during the nationalization of the banking system, Mexico City, September 1, 1982. © RUBÉN PAX





President López Portillo's announcement of the nationalization of the Mexican banking system elicited uncertainty in the country. Bancomer, in Pachuca, Hidalgo, on September 1, 1982.

© DAVID MAAWAD

hit several African countries, especially Ethiopia. In November 1985, the Armero tragedy in Colombia caused over thirty thousand deaths, and in April 1986 the Chernobyl nuclear plant disaster occurred. Dictatorships in several Latin American countries ended. 1990 marked the outbreak of the Gulf War. It was a time of big developments, such as the first personal computer by IBM or the Internet and the mass production of videogames for the joy of millions of children and teens. Several outstanding inventions took place, such as the utilization of solar energy, cold fusion, cell phones, genetic identification techniques and water desalinization.

In his last state of the union message in September 1982, President López Portillo announced exchange rate controls and bank nationalization, which caused enormous capitals flights and consternation among businesspeople. López Portillo issued an executive order to convert U.S. dollar deposits into pesos and to set an absurd and unrealistically low exchange rate. These funds were known as *mexdólares*. The country's foreign debt and inflation increased due to the abrupt fall of oil prices and the new

value added tax, while the uncontrolled hikes of interest rates all over the world worsened economic outlooks.

A hazardous oil commercialization policy and the resulting enormous over-indebtedness led Mexico to a crisis. In December 1982, Miguel de la Madrid was sworn in as President of the Republic. During his administration, inflation ensued, and the exchange rate reached 3,700 pesos per U.S. dollar. Domestic investment fell and a period of uncertainty followed.



To face the crisis, the new government, led by President Miguel de la Madrid Hurtado, put the *Programa de Reordenación Económica* [Economic Realignment Program] in place based on neoliberal policies, which advocated a gradual reduction of state participation in the economy, granted inducements to private companies, and started the liquidation of unproductive state-owned companies that only increased public expenditure.

Due to the harsh criticism of the government policies by the *Consejo Coordinador Empresarial* [Business Coordination Council], President de la Madrid threatened to dissolve business chambers. The government's ambivalence toward business (authoritarianism on the one hand and implementation of measures favorable to private investment and the development of free market on the other), had a direct impact on many clients of the Firm.

The Firm established strict work and service policies consistent with the circumstances. Under its partners' direction, the Firm diligently served its clients, which were facing serious economic problems. The Firm provided innovative legal answers in a context characterized by the uncertainty generated by the government measures. The diversity of fields served in those years did not exclude any economic or commercial sector; they included the oil, automotive, aeronautical, transportation, food production, infrastructure, cosmetic, pharmaceutical and telecommunications industries.

Besides its historical clients, the Firm represented companies of renown such as BASF (which returned as a Firm client after registering its patents before the Second World War through the Firm), Bristol Myers, Caterpillar, Cuervo, Faurecia, Federal Express, Grupo Kuo (formerly Grupo

Miguel de la Madrid Hurtado with officials and union leaders at the Plaza de la Constitución, Mexico City, ca. 1983.

Instituto de Estudios Obreros Rafael Galván Photo Collection. Manifestaciones. © INAH Media Library

Desc), Herbalife, Herdez, Jumex, Kellogg, Schlumberger, Sony, Swatch, Tetra Pak, and VF Corporation, among many others. The Firm kept on representing major Swedish concerns such as Volvo, SKF, Alfa Laval, Atlas Copco, AGA, and Ericsson (the Firm kept Ericsson's shares in a safe since 1942, when the potential German invasion of Sweden, which never occurred, jeopardized the shareholding of that company).

The arbitrary government's measures were unprecedented, and the February 23, 1982, executive order which is an example, as it included felt-tip and ballpoint pens, shaving machines and razors, hair care products, deodorants, and toothbrushes in the list of products whose prices were subject to strict control. The case of the pharmaceutical industry is notorious: it was not competitive because the official medicine prices set by the Ministry of Industry and Trade prevented laboratories from recovering investments in technological and research innovation.

The government's deficient economic policies and the violation of civil rights led to an increase in motions for reconsideration and amparos, against the drafting of inspection reports and the setting of fines, as well as shutting down manufacturing and commercial operations; this affected hundreds of companies and caused the Firm to create an interdisciplinary team which included lawyers from several law firms to defend their clients. This response to the arbitrary actions of the authorities contributed to a flexibilization of strict price controls and to the formation of a pricing commission.

In view of the enormous demand for and complexity of legal services, the Firm's need to grow became evident. New lawyers were hired, and the working hours extended. Besides the growth and generational relief, the Firm underwent a restructuring which included the use of new work methodologies and technologies. In 1987, the Firm provided litigators with the first mobile telephones, popularly known then as *ladrillos* [bricks], due to their size and weight.

During the eighties, the Firm's tax area grew considerably, and Luis Ortiz Hidalgo, a pioneer in top-level tax litigation in Mexico, was made partner. An innate litigator, a teacher of several lawyers who are now brilliant and extraordinary members of the Firm's legal staff, Luis created a tax consultancy and litigation area which remains in first place to this day and won many cases due to his great skills as a lawyer. Like many others, Luis was the Firm's creation: he joined it as an intern in 1970, earned his law degree in 1974 and was made partner in January 1984. He was the first Firm member to be the president of the *Asociación Nacional de Abogados de Empresa* [National Corporate Lawyers Association] (ANADE) and the first Mexican lawyer to head the Taxes Committee of the International Bar Association (IBA), besides especially contributing to the Firm's management for several years. Among the clients that he attracted are Arizona, Cuervo, DHL, Goldcorp, Industrias Peñoles, Inmobiliaria Playa Ensueño, McDonald's, Minera Dolores, Nissan, Pizza Hut, SC Johnson & Son, and the Mexican subsidiary of Sony. An accomplished pianist, he wrote several music pieces, such as *Vals para Liliana*, to honor his daughter Liliana.

Before becoming a partner and with the help of the partners and the tax area associates, Luis:

- a) Got the Second Chamber of the Supreme Court of Justice to issue the history-making judicial precedent in Mexican tax law known as "*Retroactividad en la tributación*" ["Retroactivity of taxes"], which still applies

today. Under such judicial precedent, taxpayers may exercise rights vested on them in a fiscal year in later fiscal years, even if a change in the legislation modifies the rights initially vested.

- b) Successfully handled several amparos filed against customs authorities, which during an on-site audit attempted to attach goods imported by several companies, even if at the time of the audit no irregularity by the importing companies had been detected.
- c) Succeeded in causing the tax authorities to accept that the expenses incurred by medical laboratories, such as for samples and product literature, are legitimate deductions, as are any expenses incurred in medical conventions and promotional activities, such as brand reminders.
- d) Secured many favorable rulings in amparos filed against the medicine and other product price control executive order.

As a partner and with the help of his team of brilliant lawyers, Luis played an exceptional role in:

- a) Causing the Supreme Court of Justice to grant, for the first time since 1959, an amparo against the rejection, for Mexican income tax purposes, of pro rata expenses made by a Mexican affiliate and its foreign head office.

In this case, a major Firm client had acquired the world over the insecticide division of a major German company. This generated pro rata expenses that the Mexican affiliate had deducted. The *Servicio de Administración Tributaria* [Tax Administration Service] rejected the deduction claiming that the law prohibited it, but the Firm held that the tax treaty that did allow it should prevail and, assuming that it did not apply, that the article raised by the tax authorities was unconstitutional.

The ruling by the Supreme Court of Justice introduced a new statutory interpretation method in Mexico, known as the progressive. Although said deductions were prohibited, the Supreme Court of Justice considered that such prohibition had been wiped out by modern times. Gerardo Nieto and Gil Zenteno, who later would be made partners, also played an outstanding role in this matter.

- b) Causing the Federal Courts to issue judgments that allowed our clients to use tax refunds to make interest payments first and then apply the remainder toward the principal, even though the tax legislation did not recognize the right of taxpayers to do so.
- c) Causing the United States Tax Court to recognize the validity of a ruling on pricing issued by the Mexican tax authorities against the Internal Revenue Service's position that the taxpayer's revenues in the United States from royalty payments made by a Mexico-resident taxpayer were taxable in the United States.
- d) Causing the Supreme Court of Justice to issue, for the first time, a ruling that declared Article 42-A of the Federal Tax Code unconstitutional because it allowed the tax authorities to request information

and documents from taxpayers and use such information to plan and carry out audits.

During this decade, the number of patent license, trademark and copyright uses, technical assistance agreements, etc., entered into by parent companies and subsidiaries, significantly increased. Pharmaceutical products were non-patentable and proving violations of intellectual property rights was overly complex, as no proper legal instruments were available to fight piracy. At the same time, numerous new trademarks were registered, such as, in the case of carbonated beverages, New Coke and Fresca.

In 1986, the country members of the General Agreement on Tariffs and Trade (GATT) concluded negotiations to include intellectual property in the agenda. The new international order sought to achieve the free circulation of goods and to eliminate obstacles that prevented it. Thus, intellectual property ceased to be a non-tariff barrier, and this promoted domestic and foreign investment and fostered innovation and fair competition. The 1976 Inventions and Trademarks Law was therefore repealed and the *Ley de Fomento y Protección de la Propiedad Industrial* [Law to Promote and Protect Industrial Property] was enacted in 1991, before negotiating the North America Free Trade Agreement.

These are some of many major cases that the industrial and intellectual property area successfully handled those years:

a) Based on the existence of the registration of the Bally trademark, granted in Mexico to the Swiss company Bally Schuhfabriken, the Firm filed an infringement action for the undue use of the trademark as part of the trade name of Bally S.A., as the latter did not have an authorization or a license to include the brand Bally in its name. As a result of the administrative infringement action and of seizing goods in the infringing company's premises, Bally S.A., was forced to delete the brand from its name and to stop using it on its products.

b) The Christofle brand case was a pioneering case in our country; this French brand is used to distinguish cutlery and chinaware. Besides being an old brand and registered in Mexico, it enjoys worldwide prestige. As an example of how long the products it covers have been in the market and of their excellent quality, one of the chinaware owned by President Porfirio Díaz bears that brand precisely and is on display at Chapultepec Castle.

Based on the "brand notoriety" concept, the Firm applied for and secured the annulment of the trademark registration unduly requested and granted to distinguish products of a class or category different from the class which encompassed fine chinaware and cutlery.

The Christofle case and others, such as the defense of the Bulova, Singer, Sprite and Guerlain brands, became the foundations for the development of the brand notoriety doctrine in Mexico and was reflected in administrative and judicial precedents that led to the refusal to register trademarks which were the same as or similar to well-known brands, applied for by third parties, as was the case of the Gucci brand. Although the Gucci brand was not registered in our country, the authority refused its registration because it determined that the Italian company's trademark is well-known.

c) A criminal complaint was filed against several Pedro Domecq México officers for the alleged reproduction of a model of the Aztec Sun Stone or Aztec Calendar. The copyright owner claimed that part of its work was reproduced without authorization on the Don Pedro brandy labels and bottles, which bore the Domecq coat of arms and a meander representing the months of the year in that calendar.

The authority ruled that the criminal action should be dismissed, based on an opinion of the copyright office, which confirmed the Firm's claim that the work on the bottle label was a derivative work derived from a public domain original work, as was the Aztec Calendar, on display at the *Museo Nacional de Antropología* [National Museum of Anthropology]. Likewise, the Firm claimed that, since such a work was involved, it was proper to grant a right for what at the time was known, in the *Ley Federal de Derechos de Autor* [Federal Copyrights Law] as "paying public domain" ["*dominio público pagante*"].

d) Based on trademark law concepts, Héctor Calatayud and Ricardo Hernández, of the civil law area, filed an action challenging the validity of the resolution passed by a shareholders' meeting of Trevira Textil, S.A., for unduly using the trademark Trevira in its corporate name, without the authorization of the trademark owner. Trevira Textil, S.A., filed a counterclaim for the expiration of the trademark registration in Mexico due to non-use; such counterclaim was unsuccessful. The civil judge ordered the shareholders to amend the corporate name by deleting the trademark Trevira from it and sentenced Trevira Textil, S.A., to pay damages.

This case was the basis for the Industrial Property Law that was in effect from 1991 to 2020 and the present Federal Law for the Protection of Industrial Property, to determine that the unauthorized use of a trademark as a corporate name or a part of a corporate name, is an infringement. In the past few years, the undue use of a trademark as part of a dominion name has also been penalized.

e) To celebrate the 450th anniversary of its founding, the authorities of the city of Nagoya wanted to reproduce two archeological pieces on display at the *Museo Nacional de Antropología*, specifically, two stone sea snail shells, each weighing around one ton, to display them during these events and afterward to keep them.

At the request of the Japanese Embassy in Mexico, from 1983 to 1984 the Firm negotiated with the *Instituto Nacional de Antropología e Historia* [National Institute of Anthropology and History] to secure the authorization to reproduce such archeological pieces, and the copyright contracts with the sculptors that the Japanese authorities retained; with the help of its foreign trade area, the Firm secured the permits to permanently export these reproductions to Japan.

The Firm's industrial and intellectual property area has a considerable number of women in its staff. For several decades now, the area has hired women to hold strategic positions, and they play a fundamental role in the area's day-to-day activities.

The patents area was the first to have a woman chemical engineer. Ruth González had worked at the *Dirección General de Desarrollo Tecnológico*

[General Technological Development Bureau] when she joined the Firm to head the patents area until her retirement after thirty-five years of remarkable work. She was assisted by Martha Castilla, a mechanical engineer, who also worked for the Firm for a similar period until her retirement, as well as by Ana Carmen Delgado, a pharmacobiological chemist, who also worked for the Firm for several years.

María Yolanda Beretta was the first woman lawyer in the area (which she joined in 1976), although she only worked a couple of years; Gloria Isla later joined the Firm and became the female lawyer with the longest career in the area, twenty years. After her, there were, among others, Isabel Thibault (a Canadian lawyer), Karina Carmona, who now lives in Brazil, Beatriz Salinas, who now lives in Canada, Gaby Finkel, who first moved to Washington and later came back to Mexico; Deborah Vinzce, who lives in France, Marcela Ríos, who lives in Seattle, Teresa Espinosa, a data protection expert living in Germany, and finally Gloria Niembro, who now heads the intellectual property area of another law firm. Gaby Finkel and Gloria Niembro, who worked in the civil and commercial law area, not only earned their master's degree in law in the United States, but also passed the exams of U.S. state bars to practice law in the United States. They set the base and created a space for women in the Firm that has now been consolidated. Georgina Fabián also passed the New York State bar exam and is qualified to practice in that State.

An earthquake struck downtown Mexico City in September 1985 and, in the wake of a hesitant response by the Mexican government, the civil society got together to rescue dead bodies and injured people. A few weeks afterward, due to the damage suffered by the Local Civil Courthouses and the shortage of material resources, our civil law area helped the authorities in carrying court files to the building where the Courthouses would be temporarily located.

In the same decade, the Firm actively participated in a controversy between Kodak and Polaroid regarding the instant camera and in negotiating and executing numerous contracts related to the Mexico 86 World Soccer Championship. The Firm represented the Federación Internacional de Fútbol Asociación (FIFA) in its negotiations with Televisa. After long meetings with João Havelange, FIFA president, Emilio Azcárraga Milmo, president of Televisa, Guillermo Cañedo and Joseph Blatter, FIFA, the sponsors and the media executed the agreements regarding such event.

In January 1986, Gerardo Hernández Reyes was made partner. Gerardo also went through the intern, associate and partner cycle in the Firm. He is another pioneer, as he is one of the first lawyers in Mexico who, although not a customs broker, devoted his professional life primarily to handling customs matters. He is an excellent lawyer, and in his professional practice he has successfully handled countless important cases. He is a natural heir to the best practices of Paulino Olavarrieta. The various clients that he attracted include No Sabe Fallar (Bic), Costco and Swank.

During Miguel de la Madrid's administration, Adolfo Tena Morelos was a member of the *Comisión Nacional de los Salarios Mínimos* [National Minimum Wage Commission] and the business spokesperson in it appointed by the *Confederación Patronal de la República Mexicana* (National Employers Confederation of Mexico) (COPARMEX). Those were exceedingly difficult years due to never-before-seen hyperinflation (to offset hyperinflation, four minimum wage hikes were approved in a single year).



Collapsed Nuevo León building, 1985 earthquake, Tlatelolco, Mexico City. © RUBÉN PAX

Among the frequent labor problems, one conflict stands out that affected Volkswagen de México. At the time, don Manuel Marván was Volkswagen de México's labor lawyer. He had been Adolfo Tena Morelos's labor law professor, and both were close friends due to their professions and because they were members of business organizations.

With Volkswagen de México's authorization, don Manuel asked Adolfo Tena to help him handle a strike call that trade union leaders had presented to Volkswagen de México on occasion of the collective bargaining agreement review. Since no negotiated solution was reached, the trade union went on strike and, in Volkswagen de México's defense, Adolfo Tena claimed that the trade union Secretary General had no authority to declare the strike because, although the union represented its members, the trade union could only take action with the workers' approval and that, in this particular case, no workers' meeting had been held to approve the strike call.

The Conciliation and Arbitration Board accepted Adolfo Tena's claim, declared the strike unlawful and ordered the workers to resume work. Don Manuel Marván soon retired and to handle the frequent collective bargaining problems that it faced, Volkswagen de México decided to entrust such matters to Adolfo Tena. Indeed, and because of interunion conflicts or petitions which exceeded the obligations set out in the collective bargaining agreement, some leaders prevented workers from entering the workplace. In these circumstances, which took place on several occasions every year and seriously affected Volkswagen de México's operations, Adolfo Tena suggested the advisability of demanding the termination of the individual employment agreements and the collective bargaining agreement due to force majeure.

Since such an action had never been taken and considering the profoundly serious negative consequences that it entailed for the company if no favorable ruling was issued, the managements of Volkswagen de México in Mexico and its head office in Germany jointly authorized its implementation. Once such action was approved, Adolfo Tena took the necessary steps before the Federal Conciliation and Arbitration Board; the outcome was favorable for both Volkswagen de México and the workers, and a new collective bargaining agreement was executed that Arsenio Farrell Cubillas, Labor Minister, described as the most modern in Mexico.

In 1988 Cuauhtémoc Cárdenas and Porfirio Muñoz Ledo left the PRI to found the *Partido de la Revolución Democrática* [Democratic Revolution Party] and Carlos Salinas de Gortari was declared president elect with the protest of all opposition parties, which claimed that the computer systems had been tampered with. The dollar-peso exchange rate reached unprecedented high levels, and unemployment was rampant, and the Firm proved to be the best help for companies facing legal problems, and significantly increased its client roster.

The relations of the partners of the Firm with international lawyers' organizations such as the International Fiscal Association and the American Bar Association, generated numerous clients. In the eighties, the Firm represented sixteen international and Mexican advertising agencies and over twenty pharmaceutical laboratories. It handled consultations, primarily in the field of taxes by major automotive companies and was frequently consulted by international law and accounting firms. In this decade, Paulino Olavarrieta and Gerardo Hernández built close relationships with Treasury officials and settled numerous customs-related conflicts. Paulino

Olavarrieta frequently contributed to the studies that the Ministry of the Treasury and Public Credit commissioned to amend tax laws.

Due to its interdisciplinary approach to legal matters, the Firm also took part in the implementation of *Ficorca Swaps* with the participation of Paulino Olavarrieta, Ignacio Orendain, Javier Becerra, Héctor Calatayud and Daniel del Río. Due also to its relationship with Acciones y Valores (Accival) and other stockbrokers, the Firm helped in the creation and development of stock exchanges as second floor banks. Juan Mijares, Javier Becerra and Daniel del Río advised Blue Circle in the sale of the shares of stock of Cementos Tolteca, and handled the Management Buyout of Aceros Nacionales, as well as the acquisition of Helados Holanda.

Héctor Calatayud, besides heading the commercial-law litigation area, assumed the task of furthering the criminal law area. By the mid-eighties, the Firm again (it had done so in the forties) was handling criminal cases with its own lawyers. Due to the complexity of its clients' problems and to the increase in crimes against them, the Firm decided to take a transcendental step by becoming the only corporate law firm in Mexico having a criminal law area, which was consolidated in a brief time. For that purpose, Enrique Abraham Ortiz Rodríguez joined the Firm in 1985 (he had formerly worked as Federal District Attorney [*Ministerio Público de la Federación*]), and Francisco Javier Tiburcio Celorio joined the Firm in 1987 to later become the first criminal lawyer partner in the history of the Firm.

The criminal area became a big-league player in handling criminal matters affecting corporations in Mexico. On behalf of a world athletic shoe manufacturer leader, the Firm seized counterfeit sneakers at the Otay customs checkpoint in Tijuana valued at over two million dollars, which unlawfully bore the athletic shoe manufacture's brand. Two of the main criminals were prosecuted. The Firm caused the seizure of the whole production of counterfeit athletic shoes in San Francisco del Rincón, Guanajuato, and the apprehension of the two main criminals. The Firm also represented another client extorted by a distributor who demanded, to stop unduly using the client's copyrighted works, that the client appoint it as its exclusive distributor in Mexico. The equipment and premises used by the blackmailer to unlawfully reproduce the copyrighted work were seized.

In the late eighties and early nineties, the criminal area of the Firm achieved one of the first industrial property-related convictions, as the convicted infringer was sentenced to pay 40% of its total sales to the maker of world-renowned sports shoes as damages. The Firm caused the apprehension and conviction of the perpetrator of a substantial fraud against a French company. The Firm assisted another client that was the victim of arson at its office by an employee who intended to destroy the existing evidence against him; the arsonist was later apprehended. A car maker was helped to fight the illegal use of its trademark by a former dealer in Chiapas. Finally, the Firm handled several cases involving major shortages in the inventories of several companies that led to the arrest of close to fifty persons that committed these crimes.

This decade marked the end of the Soviet empire and the triumph of global capitalism; in Mexico it was characterized by the government's attempt to break free from the isolation and slump that befell the country during two presidential administrations distinguished by protectionism and erratic policies, plus a presidential administration with brutal recession that led to zero growth.

On a cold December night in 1989, the partners held a meeting on the terrace of Geneve Hotel in the Zona Rosa and reported to all the associates that they were taking steps to foster the Firm's growth and to reward the associates for their efforts to advance the Firm. Such steps were so momentous that now it is clear that the Bashamtroika (in reference to the *Perestroika*, the extensive restructuring and reform implemented by Mikhail Gorbachev) was born. Such steps were the beginning of the Firm's outstanding development and growth in the next decade.

In December 1990, Daniel del Río Loaiza was made partner effective January 1991. A stupendous professional that any forward-looking law firm wishes to have in its ranks, Daniel is a one-of-a kind promoter and was a decisive factor in the Firm's growth in the last decades. He joined the Firm in 1978 as an intern, studied law at Universidad La Salle and earned his master's degree in business administration from Tulane University.

Upon becoming a partner and with the backing of Graham Glascock and Paulino Olavarrieta, Daniel analyzed the opportunities entailed by the free trade agreement that Mexico, the United States of America and Canada were negotiating. He made many successful promotion trips abroad. Such trips proved crucial for the future of the Firm since the top accounting firms joined the legal services area, causing the existing alliances between law and accounting firms to gradually dwindle.

Daniel became an active member of the InterPacific Bar Association, the Instituto Mexicano de Ejecutivos de Finanzas, and the International Bar Association (IBA), organized regional conferences in Mexico for IBA on three occasions. He co-chaired IBA'S Latin American Regional Forum, was a member of IBA's board of directors, and since 2021 is IBA's treasurer. Daniel is the first Mexican lawyer to occupy this position in the history of IBA. Recently, Latin Lawyer 250 ranked him among the outstanding Mexican lawyers and as an efficient ambassador of the Firm internationally.

Besides being one of the Firm's managing partners, Daniel created the *Doing Business in Mexico* guidebook (which has become the model for similar books of other law firms); he runs Fundación Basham and was the chairman of Fundación Barra Mexicana, an organization that positioned Mexico as one of the leading countries that sponsor pro bono work.

Daniel has taken part in innumerable major transactions, from business restructuring in the case of Colgate Palmolive to acquisitions by Grupo Kuo (formerly Grupo Desc) and PPG of Grupo Comex, for over three billion dollars.

Daniel has attracted many clients, such as ADT, Aramark, BDF (Nivea), Círculo K, Crown Cork & Seal, Cytex, China Railway, Chrysler, Federal Mogul, Grupo Kuo, Hermés, Honda, Ictsi Contecón, Ingram, Lacoste, Louis Vuitton, Médica Sur, Nokia, PPG, Prosa, SAAM Remolques, Tenneco, Wyeth and YKK. He arranged for the Firm to establish alliances with Lex Mundi and World Services Group and was instrumental in bringing about the alliances with Ius Laboris and FraudNet.

Ricardo Luis Hernández Garfias is a full-fledged lawyer. Any law student or lawyer having a vocation for civil cases would have wanted to work with and to learn from him. He is a great and natural teacher. He is not only an extraordinary litigator, but has a profound knowledge of civil law which, as we all know, encompasses fundamental legal concepts and principles; he is aware of the value of teamwork and was the man that lawyers of other areas turned to analyze cases and the strategy to follow to solve them.

Thanks to Ricardo's excellent work during the decades that he worked for Basham, Ringe y Correa, extremely complex cases were not only handled scrupulously but bearing in mind many of the future negative consequences that the cases might entail for clients.

Ricardo joined the Firm in 1974 as an intern, and became an associate in 1980, when he earned his law degree. He was made partner in January 1991, and remained so until December 2012, when he retired to devote his time to a personal project with his family and friends, and to a small ranch that he has near the Otomi Ceremonial Center.

He served many companies, such as ADT, Banco BGT Pactual, Caterpillar, Cía. Hulera Goodyear Oxo, Empresas Longoria, Ericsson Telecom, FedEx, Ford, Mitsubishi, OHL, Sanborn Hermanos, Swiss Reinsurance, Tetra Pak, Coca-Cola and Volkswagen.

He and Héctor Calatayud Izquierdo were a legendary team. They handled many cases with extraordinary success. Listing them is difficult, as many pages would be required to do so; a brief list follows:

- a) Thanks to the answer to a three-million-dollar lawsuit filed against Reynolds Tobacco, an agreement was reached under which only one hundred thousand dollars were paid.
- b) A regional passenger transportation line sued Cía. Hulera Goodyear Oxo, based on an accident suffered by one of its buses in which several passengers perished and others were injured. The bus company claimed that the bus driver had lost control of the bus because the right front tire blew out due to manufacturing defects. During the trial, evidence was produced that proved that i) the tire blew out because it was used at less than the recommended tire pressure; ii) the number of passengers significantly exceeded the bus capacity; and iii) the driver exceeded the speed limit. Cía. Hulera Goodyear Oxo was acquitted.
- c) Compañía Minera Real de Ángeles filed an insurance claim for damages suffered by an enormous ore mill. The insurance company refused to pay the substantial indemnity on the grounds that the mill was operated disregarding the manufacturer's specifications. Our Firm claimed that from the beginning the mill had been operated properly and that it was later damaged by casting defects that affected the resistance of materials. Metallurgical studies proved our client right and the insurance paid the claimed compensation.
- d) Lawyers deal with legal issues but occasionally face threatening situations, as the following case shows: When serving a summons and seizing an enormous industrial lathe posted as collateral in favor of Stan Mexicana, a company that sold machines and tools made in Russia, Ricardo and the process server visited the debtor's shop; once inside the premises, the debtor's representative ordered the doors shut and illegally kept them as hostages for over eight hours. Although he was held incommunicado and threatened by ten shop workers, thanks to his skills, Ricardo convinced the debtor to let him go, and retrieved the lathe the next day.
- e) The civil litigation area also handled insolvency cases, which at the time were governed by the *Ley de Quiebras y Suspensión de Pagos* [Bankruptcy

and Payment Suspension Law]. The provisions of this law were not in keeping with the reality of the eighties, and this, plus the economic problems mentioned earlier, complicated the solution of these cases and repayment to creditors.

Among the insolvency proceedings in which the Firm successfully represented lenders, are the insolvency proceeding of Mercería del Refugio, in which the Firm represented Mattel de México; Aeroméxico (at the time known as Aeronaves de México) in which the Firm represented Marriott In-Flite Services; Maquinaria Mexicana, in which the Firm represented International Harvester and Héctor Calatayud acted as receiver on behalf of the lenders, and Fundidora de Monterrey, in which a repossession action was filed on behalf of Aga de México and over three thousand industrial gas tanks owned by Aga de México were repossessed from Fundidora de Monterrey.

José Francisco Hinojosa Cuéllar was also made partner in January 1991. He also joined the Firm when he was a law student and made his career there. He was a most valuable member of the industrial and intellectual area and coordinated the daily activities of the area, including the immediate answers to the many letters sent by clients. Without him, many improvements would not have been implemented; it is, by far, his main contribution and legacy to the Firm. He had a deep knowledge of the industrial and intellectual property legislation and attracted many clients, including Sanrio, the manufacturer and distributor worldwide of the Hello Kitty doll.

The retirement of Juan G. Mijares and David Rangel Medina marked the end of an era in the Firm; George Graham Glascock and Adolfo Tena would soon thereafter also retire.

The conditions created by the preceding generations enabled the young partners to carry on the Firm's growth, relying on the support of lawyers specialized in administrative, civil, corporate, tax, labor, commercial, criminal, patent and trademark law.

During the eighties and early nineties, the Firm lawyers started playing soccer games, first as a recreational activity and later they joined the formal tournaments of the Inter Despachos [Inter Law Firms] league made up by several Mexico City law firms; the first tournament was held in 1992, in the "Banrural" soccer field. The team members proved that they not only know and successfully defend the legal subjects of their practice, but also turned out to be particularly good in the most popular sport in our country. The biggest success achieved in this league by the Firm's team (made up by around twenty players including interns, associates, partners, administrative staff and two guests, as were permitted to all teams by the league), were the 1993 and 1994 official tournaments, in which Basham was the undefeated champion in both, after playing approximately twenty games in the two tournaments, and losing none. As outstanding members of this two-time champion team (among other players) who are now partners of the Firm, as well as others who already were partners at the time, we should mention Gerardo Nieto, Eduardo Kleinberg, Gil Zenteno, Ricardo Hernández, Martín Michaus, Alejandro Catalá and Adolfo Athié. The Firm organized from the mid-eighties onward and for around ten years, an annual domino tournament, for all Firm members who were interested in this exciting game and to spend some time together. Since the Firm paid for all expenses, the small contribution solicited from each participant was used to award a prize to the winners. The tournaments records show that the all-time winners were Guillermo Aguilar and Alejandro Catalá.



The Firm's team in the second tournament of the *inter-office* league, Mexico City, 1994.  
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## ECONOMIC AND POLITICAL CHANGES

1992-2001

*Moving forward from one stage to another, whether from intern to associate or from associate to partner, does not mean reaching a ceiling and thus getting in the way of those who come after us; it is a platform that should broaden our human and professional outlook and help us enhance the future for the benefit of future generations.*

*A vast majority of our clients do not know us personally. All we should expect as professionals is to exceed our clients' expectations and that they keep on trusting us.*

Martín Michaus Romero

This decade brought the end of apartheid, the economic boom of dot com companies, the Clinton era, the terrorist attack on the World Trade Center, the civil war in Somalia with famines and sicknesses; China getting back Hong Kong and Macau; and the signing of the Washington Consensus. The decade was also marked by history-making scientific developments, such as the cloning procedure that led to the birth of the *Dolly* sheep and the possibility that cloned animal organs, especially of pigs, be transplanted to human beings; the power cells that produce energy by combining hydrogen and oxygen; the programmable matters (robotic structures controlled by shape-changing software); the solar updraft towers that eliminate air pollution by using water vaporizers; and pharmaceutical products such as Sildenafil (sold under the brand name Viagra) used by millions of men all over the world to treat erectile dysfunction.

After swearing in, President Carlos Salinas de Gortari promoted a major political and economic transformation; his first emblematic actions were the apprehension of Joaquín Hernández Galicia, a.k.a. La Quina, leader of the powerful Pemex trade union, and the renegotiation of foreign debt. Salinas de Gortari also initiated the negotiations that would lead to the signing, in December 1992, of the North American Free Trade Agreement (NAFTA) by Mexico, the United States and Canada. The Firm actively participated in defining the legal aspects of NAFTA, particularly the Parallel Labor Agreement sponsored by the Clinton administration.

The Firm participated in many privatizations stemming from the privatization policy promoted by the government, including the privatization of ejidos, a flagship achievement of the Revolution, under which ejido owners can lease or sell their parcels, as well as the progressive reprivatization of the banks nationalized during the López Portillo administration.

The privatization of state-owned companies triggered a wave of new businesses. The Firm's workload increased accordingly: it advised newly incorporated companies and defended them under the new economic and legal framework. The Firm handled numerous tax, commercial, labor, criminal, trademark, administrative, customs and social security cases, and participated in many mergers, company acquisitions and registrations



Carlos Salinas, George W. Bush, Brian Mulroney (standing), Jaime Serra, Carla Hills and Michael Wilson at the signing of NAFTA on December 17, 1992. © BOB DAEMMRICH

with the health authorities. The Firm represented numerous clients in antidumping investigations.

The Firm engaged in activities of schools of law, domestic and international associations, chambers of commerce and industry, and charities. Its lawyers participated in the governing bodies of the International Fiscal Association (IFA), the International Bar Association (IBA), the American Bar Association (ABA), the Barra Mexicana, Colegio de Abogados, A.C. (BMA), the Asociación Nacional de Abogados de Empresa, A.C. (ANADE), the Asociación Mexicana para la Protección de la Propiedad Industrial, A.C. (AMPPI), the International Association for the Protection of Intellectual Property (AIPPI), the Inter-American Association of Intellectual Property (ASIPI), and the International Trademark Association (INTA). This led to the generation of many clients for the Firm. Several Firm lawyers joined the faculties of various universities as professors, while others counseled the *Secretaría de Hacienda y Crédito Público* [Ministry of the Treasury and Public Credit], the *Secretaría del Trabajo y Previsión Social* [Ministry of Labor and Social Welfare] and the *Instituto Mexicano del Seguro Social* [Mexican Institute of Social Security], in drafting laws and regulations.

The Firm experienced major growth from the beginning of the decade: in 1991 it had thirty-two lawyers and by 2000 it had ninety-two and a record-breaking number of interns and administrative staff. The fact that the Firm's size almost tripled is a praiseworthy achievement of the partners. The Firm was young: the lawyers' average age in 1965 was fifty-five; in 1995 it was thirty-four. A few in their early fifties and some in their forties combined their experience with several lawyers in their thirties and many in their twenties.

The Firm's tradition of training interns remained in place, and some interns eventually joined the public sector as lawyers, others joined the banking and business sectors, and some remained in the Firm to become partners in the next decade. This shows the Firm's capacity to renew itself, to bring dynamism to its operations, and to look forward to the new millennium with assurance and firmness.

The tax area kept on growing significantly, and Luis Ortiz asked Gerardo Nieto, an associate at the time, to come back from the United States to help him with consultancy matters and litigation, Gerardo became an expert in both fields. Gil Zenteno's professional education was consolidated. Eventually, Gerardo and Gil were made partners, because of their outstanding handling of the following matters:

- a) They filed several amparos against many laws, some of which established new taxes payable by companies. The *Ley del Impuesto al Activo* [Asset Tax Law] enacted in 1988 to become effective in 1989, led to the filing of thousands of amparos against it throughout the country. Gerardo participated in over seven hundred amparos, with favorable results for the clients of the Firm on the legal grounds that he raised, namely, that not allowing the deduction of financial liabilities was out of proportion. His argument was the groundwork for a later amendment of the law to allow such deductions.
- b) Gil took part in lawsuits filed on behalf of automotive industry clients, against the tax authority's rulings which, when authorizing their bonded warehouse system, determined that the automotive industry clients

could not deduct purchases of goods for income tax purposes before such goods were imported.

This topic was so important that several law firms discussed the defense that should be filed against such rulings; that is, whether a revocation recourse or an annulment action was in order to reverse or annul the tax authority's rulings, as it wasn't clear whether a foreign trade matter with tax implications was involved, or whether an independent clause affecting income tax included in a foreign trade ruling was involved.

Contrary to the opinion of most of the other law firms, the Firm decided to file an annulment action on the grounds that it was an independent income tax-related issue. The Firm's opinion prevailed, as the *Tribunal Fiscal de la Federación* [Federal Tax Court] (TFF) admitted and later ruled favorably on the action filed by the Firm, and dismissed the revocation recourses filed by the other law firms on behalf of their own clients, which had to file a series of actions that led to a major delay in defining the legal status of their clients.

- c) The General Tax Rules [*Resolución Miscelánea Fiscal*] of the nineties included a Rule that allowed taxpayers to deduct the accumulated inventories that they had in the 1986 or 1988 fiscal year and which they had been unable to deduct before. This meant a major tax benefit for companies having large inventories, as they were allowed to reduce the taxable base of the income tax for the fiscal year in which the deduction was applied.

In exercise of the right granted by this Rule, several clients of the Firm deducted the inventories they had not deducted in the specified fiscal years and reduced the taxable base applicable to the fiscal year, to the extent that substantial favorable balances resulted that could be refunded by the tax authorities.

When the tax authorities realized what the right granted by the Rule entailed, they repealed it. As originally drafted, the Rule was in effect for twenty-two days, and was amended to allow the same deduction, but deferred its application to a certain percentage throughout several years.

The companies that applied the deduction in whole in a fiscal year, as permitted by the original Rule, were invited by top-ranking tax officials to eliminate the deduction and to abide by the conditions and requirements of the Rule as amended. All the companies that applied the deduction as originally permitted and requested refunds withdrew their requests and submitted to the added terms of the Rule. Some of said companies were clients of the Firm. One of such companies, after analyzing its right to apply the deduction while the original Rule was in effect, and after assessing its tax status in the face of audits and intensive and recurrent inspection visits, decided to go ahead and requested a refund of its favorable balance.

As expected, the tax authorities refused the request, and this led to litigation. After several years, the Firm, with the litigation led by Luis and Gil, secured a favorable judgment that recognized the client's right to full deduction and the existence of the balance payable to it.

The tax area also caused the authorities to rule on the unconstitutional nature of some laws:

- a) In connection with the Mexico City real estate tax law, the area argued that the law required the taxpayers to include, in the calculation of the amount of the tax payable, an element which was related neither to the taxable property nor to the purpose of the tax.
- b) In connection with the Mexico City vehicle ownership or use tax law, the area argued that the tax payable was based on the inflation-adjusted amount paid the fiscal year before, thus disregarding the depreciation of vehicles.
- c) In connection with the dividend tax, the area argued that the Income Tax Law, without justification, forced the taxpayers to apply a factor to the dividends paid that fictitiously increased the taxable base of the income tax, and therefore did not reflect the taxpayer's actual income.
- d) The Firm caused the Article of the *Ley Federal de Derechos* [Federal Duties Law] that contemplated custom processing fees, to be declared unconstitutional, because it did not take into consideration the actual cost for the State to provide the customs processing service and included unrelated elements to determine the amount of the fees payable.
- e) The Firm caused the tax authorities to accept that the clients of the Firm determine their taxable profits for employees' profit-sharing calculation purposes, pursuant to the procedure laid out in Income Tax Law Article 10 rather than pursuant to the procedure laid out in a different Article of said law.

Sergio Neftalí Barajas Pérez, an extraordinary lawyer who was later made partner, joined the foreign trade and customs area, at the time headed by Gerardo Hernández, as an associate lawyer; he played a decisive role in the following cases:

- a) An antidumping proceeding on behalf of Mattel, involving toys made in China, when the tax authorities took actions intended to revise the countervailing duties applicable to such toys.

To prove that there was no alleged unfair practice, the Firm established that the toys could not affect or threaten to affect domestic production (they were so unique that there did not exist or could ever exist production in Mexico by third parties) as all Mattel's products were protected by intellectual and industrial property rights. As a result of this successful defense, the concept of *exclusive products* was born, which permitted year after year to exclude the products imported by Mattel from the obligation to pay countervailing duties. This strategy was so successful, that it later benefited other clients of the Firm.

The Firm also helped Mattel in connection with an antidumping investigation involving strollers and baby walkers made in China and Taiwan. The Firm proved that the Fisher Price brand did not cause any damage or was a threat of damage. After the investigation was completed, countervailing duties were cancelled which almost tripled the product's original value. The same result was secured for Bronceadores Supremos in a case involving Maclaren brand imports.

- b) In connection with a fire that destroyed Mattel's premises, including all its accounting records, the customs authorities determined that Mattel owed millions of pesos in unpaid taxes for imaginary differences resulting from Mattel's alleged failure to send back abroad the raw materials that it temporarily imported to make export products. After a thorough reconstruction of accounting records that took close to four years, the Firm proved that Mattel had indeed returned such raw materials to their place of origin and that Mattel did not owe any taxes.



- c) On behalf of *Compañía Mexicana de Mecha para Minas*, in December of each year the Firm processed before the *Secretaría de la Defensa Nacional* [Department of National Defense] the so-called number 1 Import Permit [*Permiso de Importación número 1*], and a vast number of special permits, to import the explosives that were used in large scale construction work and in the mining industry in the country.
- d) The foreign trade and customs area assisted BDF (maker of the renowned Nivea brand face cream) in securing the permits to remodel its plant at colonia Industrial Vallejo and regularized and later combined the company's land lots. Due to the numerous changes in the field of labeling, health and advertising requirements, the area assisted BDF to adapt its labels of all its products.
- e) Together with other areas, the tax area implemented strategies for Moët Hennessy to keep on importing alcoholic beverages to Mexico; such strategies included securing Moët Hennessy's registration on the im-

Lawyers and guests at the 1991 New Year's Eve party. © BASHAM, RINGE Y CORREA, S.C.

porters register and the authorization of its commercial information tags and labels.

- f) The area assisted the Swiss company Lindt Sprüngli in its strategy to start up operations in Mexico, especially in fulfilling the legal requirements to import chocolate to Mexico.
- g) The area handled Casa Cuervo matters involving Official Mexican Standards related to alcoholic beverages, including those addressing the protection of name of origin.
- h) With the tax area lawyers, the area handled many tax- and foreign trade-related lawsuits and assisted Grupo Jumex, Grupo Rassini, Saint-Gobain, Tetra Pak, and Nissan. There was an especially important case involving Nissan and the legitimacy legality, from a foreign trade law point of view, of a contract subject to the condition precedent that its maquila program be first approved, and a most important case involving Saint-Gobain regarding the transfer of refrigerator trays between maquiladora companies. Another major case involved Tetra Pak and dealt with the incorrect tariff classification of coated paper, which is the indispensable raw material needed to manufacture said company's flagship product.

Mexico joined the Pacific Rim Forum in 1993, reestablished diplomatic relations with the Vatican, and joined the General Agreement on Tariffs and Trade (GATT), which later ceased to be in effect as a result of the negotiation and signing of the Marrakesh Agreement and related agreements, such as the Agreement on Trade-related Aspects of Intellectual Property Rights (TRIPS). In the nineties, Mexico also negotiated free-trade agreements with various Latin American countries, including the one signed with Colombia and Venezuela known as G3. A free-trade agreement with the European Union became effective at the end of the decade. The negotiation agenda for all these treaties introduced intellectual property as a constant, which gained major momentum worldwide. Innovation and investment were also promoted in the automotive industry, agrobusiness, the financial sector, the maquiladora industry, etc.

As a result of the foregoing, the *Ley de la Propiedad Industrial* [Industrial Property Law] and the *Ley Federal del Derecho de Autor* [Federal Copyrights Law] were amended. Martín Michaus joined the task force made up of *Instituto Mexicano de la Propiedad Industrial* (IMPI: Mexican Industrial Property Institute) officials and AMPPI members, to draft and discuss the bill of a new law. The Ministry of the Economy gave the development of industrial property a boost and the Ministry of Public Education did the same in connection with the *Instituto Nacional del Derecho de Autor* (INDAUTOR: National Copyrights Institute). This fostered greater innovation and creativity in Mexico and led to intense participation and interaction with international organizations such as the World Industrial Property Organization (WIPO), the European Patent Office and the U.S. Patent and Trademark Office, among others.

The workload (filing patent and trademark registration applications as well as maintaining industrial property rights and filing lawsuits with the IMPI) of the industrial and intellectual property area of the Firm increased

significantly. Clients consulted the Firm on the new provisions of Mexican law and international treaties. It became necessary to restructure the area in response to these new requirements. In the field of patents, besides the technical areas that it already had, such as the mechanical, electronic, and chemical areas, the Firm promoted the creation of other areas such as biotechnology, and increased the filing of patents involving living matters, microorganisms and vegetable varieties. As a result of the development of technology, the Firm handled the filing of integrated circuit patent applications. Clients such as Chanel, Guerlain, Louis Vuitton and Cacharel increased their presence in the Mexican market, and therefore, just as the Firm did for Coca-Cola, Chrysler, Nissan, Mattel, Lucasfilm, Fox, Sky, National Football League, National Basketball League, Siemens, Cuétara Hermanos, Cruz Azul, Yahoo, IBM, Real Madrid, Thalía, the estate of Mario Moreno "Cantinflas" and Mitsubishi, among others, the Firm helped them to design strategies and file and follow up lawsuits to defend their patents, trademarks or copyrights.

The Firm introduced technological systems that made its tasks easier, improved coordination with the accounting area, but very especially provided its clients with a swifter and more versatile service, and thus responded to their needs faster.

The growth of the industrial property area, the passing of Antonio Dávalos y Osio in 1992, and Adolfo Tena Morelos's departure after reaching his age of retirement, led to Oscar de la Vega Gómez and Martín Michaus Romero being made partners effective January 1993.

Oscar de la Vega Gómez, a renowned labor lawyer, headed the labor area for several years. He joined the Firm in 1979 as a first-year law student. With the backing of several labor lawyers (Adolfo Tena, Jorge Gómez, Pedro Gil, and Ignacio Vilchis), Oscar had an exceptional career and became the youngest partner in the Firm's history.

Oscar always promoted the growth of the labor area until it reached world level. He forged an alliance with IUS Laboris for the Firm to represent it in Mexico; IUS Laboris is the largest world organization of highly renowned law firms specifically handling employment, immigration, and pension matters. Oscar was co-chair of IBA's Employment and Industrial Relation Law Committee. This led to the referral of numerous cases to the Firm and to the Firm consolidating internationally as the leading labor law firm in Latin America.

Oscar handled many major lawsuits and transactions. From big lawsuits in the field of labor law (such as the case of a former director of a major human resource consultancy company, who unsuccessfully sued the company) to providing advice for the startup of the first Ritz Carlton hotel in Cancún.

The many clients that Oscar attracted include Aerovías de México (in labor matters), Cemex, Cirque du Soleil and Mastercard. In early 2012, after working for over thirty-two years with the Firm, Oscar resigned to pursue a professional practice on his own.

Martín Michaus Romero is very well known in Mexican and international industrial and intellectual property circles. He joined the Firm as an intern in 1980, he graduated from Universidad Iberoamericana with honors in 1984, earned his master's degree from Champaign University in Illinois, and is now a PhD candidate in Law from Universidad Panamericana.

Martín has held a number of positions in AIPPI, such as the chairman of the Mexican chapter entrusted to AMPPI. He was also ASIPI chairman.

He has held several positions in the INTA, such as head of the Well-Known Marks Committee. When WIPO's Arbitration and Mediation Center was created in 2000, he was appointed arbitrator and panelist, and has participated in settling almost one hundred disputes, particularly trademarks vs. dominion names disputes. He has also been an arbitrator in Independent Film & Television Association (IFTA) disputes. Finally, Martín chaired Lex Mundi's Industrial Property Task Force and currently is its president emeritus.

Martín has been a member of many Mexican organizations: besides his AMPPI chairmanship, he was the president of BMA's Intellectual Property Commission and has been the chairman of ANADE's Intellectual Property Commission and a member of its Board of Directors on three occasions.

He has been a professor at Anáhuac, Iberoamericana and Panamericana universities and at the *Instituto Superior de Derecho y Economía* [Higher Institute of Law and Economy] (ISDE) in Madrid, Spain, sponsored by Fundación Pons, as well as a member of the Thesis Jury in the competitions organized by INDAUTOR and AMPPI. It would take several pages to summarize the lectures and publications that Martín has given and authored or co-authored. Suffice it to say that Who's Who Legal and Chambers Global have always ranked him as a leader in the intellectual property law practice in Mexico.

Martín has attracted many major clients, such as Café La Selva, the International Olympic Committee, Cruz Azul, CVS Pharmacy, Ferrero, Four Seasons, Grupo Alpura, Harrods, Lego, Market Sport, Michael Kors, Luz Mari Morales (a sculptress), Lorraine Pinto (an artist and sculptress as well as a precursor of kinetic art in Mexico), Real Madrid, Sky, Thalía (a singer and TV actress), Tiffany, Walmart and Yahoo.

Besides his tireless work as a promoter, Martín has undertaken various tasks inside the Firm, such as being a member of the Firm's Management Committee and the managing partner.

With the usual teamwork that has characterized the Firm, and under the guidance of the industrial and intellectual property area partners and with the support of highly professional associates, the following matters, among others, have been successfully handled:

a) Ferrero Brand. On behalf of Ferrero, the Firm filed an unfair competition action based on trade dress infringement against a Mexican company for imitating the wrapping and trade dress of chocolates. The IMPI ruled in Ferrero's favor and held that the infringer's chocolate trade dress, although bearing a word trademark different from that of Ferrero, led consumers to error or confusion.

This imitation case was one of the first such cases that occurred during the first half of the nineties in which IMPI and the Federal Judicial Branch [*Poder Judicial de la Federación*] (PJF) ruled that it was an act of unfair competition. Now the Federal Industrial Protection Law establishes that the trade dress may be registered as a trademark.

b) "Yahoo" brand. The Firm, on behalf of Yahoo, Inc., caused IMPI to issue an injunction order to delete a web page that unduly bore the Yahoo, Inc.-owned trademark. This was one of the first cases in which it was possible to delete a web page; a short time thereafter, the WIPO's Arbitration and Mediation Center set the procedure to settle conflicts between trademarks and dominion names.

c) Mattel brand/The Lion King movie. In view of the simultaneous world premiere of the movie and the proliferation of piracy, multiple raids were carried out to seize counterfeit goods through administrative action taken before the IMPI and criminal action taken before the *Procuraduría General de la República* [Federal Attorney General's Office] (PGR), against vendors of products bearing the Mattel brand or that unduly reproduced the characters of the Walt Disney Studios movie.

d) Calvin Klein brand. The owner of the brand in Mexico sued the licensee for defaulting the trademark use agreement by failing to pay royalties; when it became aware that the licensee had entered into sublicensing agreements without being authorized to do so. Such licensee's activities resulted in the manufacture and sale of goods unduly bearing the brand. Criminal action was taken before the PGR and administrative action was taken before the IMPI with the participation of its Inter-Ministerial Commission. The licensee was prosecuted not only for infringing an industrial property right (the undue use of the Calvin Klein brand) but for fraud and tax evasion.

e) Ray-Ban brand vs. Rayex. An infringement action was filed against the Ray-Ban brand for unfair competition and imitation of the Ray-Ban brand, and for selling eyewear bearing the Ray-Ban brand (the Ray-Ban brand name was printed inside the eyeglass cases). The counterfeit goods were seized, and the IMPI ruled in our client's favor.

f) Allure brand. In the late nineties, Channel Societé Anonyme rolled out the Allure women's perfume brand worldwide. It intended to do so uniformly in all countries; however, there was a brand Alure in Mexico that third parties had registered, and this prevented the introduction of Channel's product in Mexico. This seriously altered the worldwide market strategy and the sale of the product. Martín headed an investigation and filed a trademark cancellation action for non-use against the Alure brand. Martín won and the product made by Chanel could be sold thereafter.

Vicente Aguinaco Alemán, the jurist who at one time, as we saw, was a distinguished member of the Firm, was appointed president of the Supreme Court of Justice (SCJN) and of the Federal Judiciary Council, in 1994. In addition to the major overhaul of the Federal Judicial Branch (PJF), a historical change took place in the SCJN: From twenty-one Justices and four Chambers (the Criminal, Administrative, Civil and Labor Chambers), the membership was reduced to eleven Justices and the number of chambers to two (the First and Second Chambers).

In December 1994, a few days after President Ernesto Zedillo Ponce de León's inauguration, the dramatic "*error de diciembre*" ["December error"] occurred; Carlos Salinas de Gortari so named it (and throughout the world it was known as the "*tequila effect*" [*efecto tequila*]). Although Zedillo was considered ill-suited to handle the crisis (he had officially announced the imminent devaluation and a stratospheric hike in interest rates), Zedillo had inherited an authentic time-bomb from the outgoing administration, with an overvalued peso, almost non-existing reserves and an overwhelming public deficit.



President Ernesto Zedillo escorts Leopoldo Zea to the Mexican Senate patio, on occasion of the writer being awarded the Belisario Domínguez medal, Mexico City, 2000.

Photography: PEDRO MERA. © CUARTOSCURO

The United States loaned the Mexican government twenty billion dollars (plus thousands of millions more in the following months) to mitigate the monetary crisis, but the situation turned untenable. Millions of citizens and thousands of small companies that had borrowed money at variable interest rates were ruined by the macro devaluation and the swift rise in bank loan interest rates. While Forbes magazine announced the increase in the number of Mexican millionaires, an enormous flight of capitals took place, and the peso started an unstoppable devaluation of more than one hundred percent.

In this climate, the Firm created new strategies to solve its clients' problems. With an innovative civil law concept applied to tax matters, the Firm caused the courts to set a judicial precedent that implied, for several of its clients, the recognition of their right to apply their tax losses which, eventually, represented major advantages for their development. In a clever interpretation of the Constitution, the Firm's tax experts secured the refund of sizable amounts to its clients due to exemptions, as well as the deductibility of major expenses and the recognition of the application of the 0% rate to the sale of certain food products for Value Added Tax (VAT) purposes.

In January 1995, due to the excessive increase in the Firm's corporate workload, Herman Kiehnle Zárate is made partner. Herman was an extraordinary person and a great corporate lawyer, Paulino Olavarrieta's and Daniel del Río's disciple. Like many other lawyers, he joined the Firm as an intern.

His brilliant future as a great lawyer was cut short: Herman passed on in July 1998, at the age of thirty-eight. He bequeathed a legacy of work and dedication in the Firm, which lasts to these days. He championed the move of the Firm's offices mentioned below.

On July 4, 1997, Cuauhtémoc Cárdenas Solórzano was elected mayor of the Federal District (which became the first major government for the Mexican left), the Mars Pathfinder landed on Mars (the mission included an exploration robotic vehicle popularly known as rover), and Basham, Ringe y Correa moved from Liverpool 123 in Colonia Juárez (where it was headquartered since 1969), to Corporativo Arcos Bosques at Paseo de los Tamarindos 400-A, Cuajimalpa Borough, where it is currently located; it first occupied floors 8 to 12 and since 2005, floor 13. At the new headquarters, it was decided to use state-of-the-art technologies. At the end of the decade, the Firm's offices occupied over 4,000 square meters and by the mid-2000s over 5,000, and had over two thousand clients, a historical record. This event marked a turning point. A project was consolidated that originated at the Liverpool offices; the Firm dropped the use of typewriters and resorted to a state-of-the-art computer network. In addition, a transportation system was implemented for the staff that would make it easier for them to go to the offices.

Mexico had been enormously affected by the December 1994 crisis, but in August 1998 another crisis took place in the world, which had a considerable impact on the international markets, namely, the 1998 Russian financial crisis, popularly known as the *vodka effect*. Fortunately, neither hurt the Firm, as it experienced an impressive growth in those years.

In December 1999, Paulino Olavarrieta resigned to start his own law firm. Thereafter, upon reaching their age of retirement, Eduardo Correa

Cuauhtémoc Cárdenas Solórzano celebrates his Mexico City mayoral win, Mexico City, 1997.

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and Jorge Gómez also retired. A partners' meeting made a strategic decision, unheard of in the Firm's history: it made six associates partners effective January 2000; such associates had had a brilliant career for over several years: Jorge Diep Rosas, Gerardo Nieto Martínez, Carlos Fernando Portilla Robertson, José Francisco Salem Alfaro, Francisco Javier Tiburcio Celorio and Carlos Velázquez de León Obregón.

The decision to make Jorge Diep Rosas partner aimed at consolidating the Firm's environmental law area. Jorge's career in the Firm was outstanding due to the quality of his handling of many administrative and environmental law cases. His profound knowledge of amparo matters is well known to all lawyers who worked with him. Jorge joined the Firm as an intern and was trained by Ignacio Orendain. Three years after having been made partner, he resigned to go solo in his professional practice.

Gerardo Nieto Martínez is an outstanding lawyer and has been acknowledged as such for many years in Mexico and abroad. He is not only an exceptional tax attorney but knowledgeable about many laws related to tax matters in our country. Many companies in Mexico do not make tax-related decisions without Gerardo's opinion.

Gerardo's career in the Firm is remarkable and confirms his quality as a leader. He joined the Firm in 1987 as an intern, trained under great teachers (Paulino Olavarrieta, Ignacio Orendain and Luis Ortiz Hidalgo), and was an associate up to April 1990.

Gerardo's achievements as a partner have been innumerable, and some are listed below:

- a) On behalf of a company headquartered in northern Mexico, he contested the obligation, under the *Ley de Aguas Nacionales* [National Waters Law], to pay duties for the use of water extracted from the subsoil, at the rates set based on the so-called availability zone, which consisted of a specific number of municipalities. The municipality of Arteaga, Coahuila, where the client operated, was not included in any availability zone, and thus, since no specific duties exist in the applicable law, it was improper to charge duties. The SCJN granted the amparo. This court precedent led to the National Water Law being amended to establish that, if some municipality was not located inside any availability zone, the rate set in the closest municipality that was included in any availability zone should be applied.
- b) When a client asked for the Firm's assistance one day before the expiration of the term granted by law to file an annulment motion, Gerardo retained the services of a notary public to attest that the client had tried to file the action for annulment the night of the expiration date; obviously, the offices of the Federal Tax Court were closed. The action was filed the next day but was rejected on the grounds that it was filed late. Gerardo caused the Federal Judicial Branch to declare unconstitutional the article of the Federal Tax Court's internal Regulations that established that the working hours ran up to three o'clock p.m. of each business day, claiming that such determination violated the right to legal certainty and access to justice, as the Federal Tax Code set a 45-business-day term to file the action and since each day is 24 hours long, it was improper for the Mail Office to close at three o'clock p.m.

Since the article of the regulations was declared unconstitutional, the Federal Judicial Branch ordered the action of annulment admitted; such action was settled in the client's favor. This court decision brought about the amendment of the Federal Tax Court's In-House Regulations, to establish that its Mail Office's working hours ended at midnight of each day, as it still does today.

- c) Gerardo also secured many favorable rulings handed down by the Supreme Court of Justice in connection with amparos filed against the tax on the ownership of vehicles, in favor of several clients that owned large fleets.

Many precedents have resulted from amparos handled by Gerardo regarding the unconstitutionality of the corporate asset tax, the method to determine workers' share in companies' profits, the prohibition to deduct losses on the sale of shares of stock, the right to proper customs clearance, the right to public lighting, the right to use air space, the State of Mexico tax on residency, the tax on business and commercial activities in the State of Baja California, and the real estate tax in several states. His work has also caused court rulings to be handed down to authorize the deduction of bad accounts, even if the debtors are non-Mexico residents and bankrupt.

Gerardo also coined some phrases used every day in the tax area of the Firm, such as *This ruling has no clear legal basis*, meaning a judgment is full of errors.

Many companies became clients of the Firm as a direct result of Gerardo's work: Aerovías de México (in tax matters), Alstom, Carplastic, Coclisa, Danone, Dell, Estafeta, Fábrica de Envases del Pacífico, Ferrioni, Gelatina D'Gari, Greenbrier Industries, Grupo Lessafre, Grupo Posadas, Grupo Visteon, Gunderson Gimsa, Hyperion, Michelin, Noble Energy, Norges Bank and Oxiteno. Gerardo is so reliable that he has been appointed corporate examiner of major multinational company groups, a position which is usually held by accountants.

Gerardo was the national president of ANADE (and thus made the Firm the only law firm in Mexico that has provided two national presidents to that association), he is a former World President of Lex Mundi's Tax Committee, and successfully organized congresses in Warsaw, Luxembourg, and Copenhagen. He regularly participates in IBA's Taxes Committee and in IFA's Mexican Chapter. He has been a member of the Executive Committee of the Firm and has chaired other committees.

Carlos Fernando Portilla Robertson is a remarkable civil and commercial law litigator mentored by Héctor Calatayud and Ricardo Hernández. He joined the Firm as an intern in the industrial and intellectual property area and later moved on to the civil and commercial law area, where he was an associate after 1986. He successfully handled many lawsuits and built a top-level litigation group. In 2007, he opened his own law firm with other Firm lawyers.

José Francisco Salem Alfaro is a successful corporate lawyer. He joined the firm as an intern in June 1982 and after two different periods as an associate, he was made partner. He worked with several lawyers of the corporate area but was primarily tutored by Paulino Olavarrieta.

José Francisco handled relevant cases as an associate working with several partners of the Firm, such as securing a Banco de México permit to

incorporate Volkswagen Financial Services, a *Comisión Nacional de Inversiones Extranjeras* [National Foreign Investment Commission] authorization for telecommunications companies to issue class “N” shares, or neutral stock, to raise funds to build the IBM offices in Santa Fe, the acquisition of several hotels in Acapulco, and the acquisition of the land on Paseo de la Reforma Avenue where the Holiday Inn Hotel is located. José also counseled several companies in public bids to acquire frequency bands authorized by the *Comisión Federal de Telecomunicaciones* [Federal Telecommunications Commission], to purchase assets for ABB, to acquire Wearever by Berol, and the negotiations of loans with Banco Nacional de Comercio Exterior [National Foreign Trade Bank] to build three industrial facilities funded and to be leased by the Mexican government to Warnaco.

As partner, José handled multiple spin-offs of the group of companies formed by KFC and Pizza Hut and the incorporation of a dual nationality company for that group, the purchase of an automotive paint manufacturing company by DuPont, the financial restructuring and sale of Fábrica de Cartón y Papel, the corporate restructuring of several Grupo WPP companies, the acquisition of media companies for the same group, the purchase and sale of a drugstore chain to Nadro, and the creation of the pension and retirement fund for The Coca-Cola Export Corporation. Finally, he assisted OHL in various highway construction bids, in the creation of trusts for the Mayakoba development in Riviera Maya, the Rosewood chain in many hotel operation contracts, and Accor in drafting the trust to build the Novotel hotel in Santa Fe.

José’s work in the Firm was always highly regarded and he always used a phrase to praise interns: *nothing is impossible for Basham’s interns*. In December 2007, he left the Firm to set up his independent practice.

Héctor Calatayud invited Francisco Javier Tiburcio Celorio to join the Firm as a lawyer in February 1987, in response to the partners’ intention to expand and enhance the criminal litigation area. Relying on Francisco’s clear understanding of criminal sciences, the partners detected a great window of opportunity at the time neglected by criminal lawyers; they handled corporate criminal matters as an exception and not as a part of their professional practice. The partners perceived, and unfortunately were proven right, that the loss of values in Mexican society had sparked an extremely high increase in risks of all kinds for the operation of companies involving the flow of financial resources as well as the security of their finished products. With the constant encouragement of his mentor, Héctor Calatayud, and of all Firm members, Francisco started handling major criminal cases and, with the team that he formed, generated the biggest growth of the criminal area since the late eighties. The litigation area grew even more during the first decade of this century. Today, the Firm’s criminal and corporate areas are the only areas with partners in each of the Firm’s regional offices.

Sponsored by the Firm (which paid for 75% of his tuition at Universidad Panamericana, as the Firm does for all other lawyers that have gone on to pursue postgraduate studies), Francisco became the second lawyer to have a PhD in law in the Firm’s history. His PhD dissertation, *Neoecologismo. Políticas jurídicas y sociales hacia el nuevo siglo* [Neo-Ecologism: Legal and Social Policies for the New Century], detected, almost three decades ago, the environmental problems that we are now facing, and years later some of his proposals were adopted by the Mexican government. Francisco has

authored three books based on his experience at the Firm: *Enfrentando a la Delincuencia y Evitándose Conflictos* [How to Face Crime and Avoid Conflict], *Riesgos en México. Perspectivas empresariales en la materia penal en un entorno donde se ha intensificado la inseguridad legal y física* [Risks in Mexico; Business Perspectives on Criminal Matters in an Environment Where Physical and Legal Insecurity Have Increased], and *El Gran Fracaso del Nuevo Sistema Penal Acusatorio. Por qué estamos padeciendo un aumento de la delincuencia y de la impunidad en México y las acciones que deben instrumentarse* [The Big Failure of the New Criminal Adversary System. Why We Are Undergoing an Increase in Crime and Impunity in Mexico, and Actions That Should be Implemented].

Francisco is a criminal law professor in three renowned Mexico City universities, a lecturer in many national and international forums, and has devoted a large part of his professional practice to help companies to set the necessary crime-prevention controls and avoid the consequences of the onslaught of criminal organizations.

Francisco has helped clients in exceedingly difficult circumstances that call for a swift and comprehensive response. Although his professional practice is business focused, his people-centered nature has led to his being occasionally entrusted with handling systemic and corporate security crises, and with defending companies and officers from extortion by criminal groups. He has always pushed for the rights of victims in Mexico to be likened, under law and in real life, to the rights of those accused of committing a crime. Francisco proudly remembers the precedent issued by the Supreme Court of Justice under the heading *The victim of or party injured by a crime is legally entitled to appeal any court order that impinges on the fundamental right that all evidential data or elements that he produced be accepted (an interpretation of Federal Code of Criminal Procedure Article 365)* in a motion for review that he filed and that opened the door for the Supreme Court of Justice to resort to it constantly to hand down precedents regarding the rights of victims in Mexico.

Francisco has handled criminal cases involving all productive activities carried out by the business community in Mexico, including the automotive, pharmaceutical, chemical, steel, toy-making, food, health, education, department store, self-service, insurance, oil, and services sectors, among many others.

Francisco has attracted many clients, including the Mexican subsidiary of BASF, Bridgestone, Carestream, Halliburton, House of Fuller, Instituto



Partners of the Firm at a meeting, ca. 1998.  
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Mexicano de Contadores Públicos, L'Oréal, Maypo, OCP, Poker Stars, Servicio Pan Americano de Protección, Spartech, and the Instituto Tecnológico y de Estudios Superiores de Monterrey and related companies, including the hospitals run by it.

The solid criminal area has enhanced the Firm's prestige. From 1992 to 2001, with Alejandro Catalá Guerrero (who joined the area as an intern in 1991) and Gilberto Miguel Valle Zulbarán (who joined the area in 1997), both of whom are now partners of the Firm, the criminal law area has handled the following cases, among others, which were pivotal to position the Firm as a leader in handling criminal cases:

- a) As a result of the area's work for a client that managed the savings of eight thousand workers of an American car maker, fifteen persons were apprehended and prosecuted for illegally disposing of most of such savings, and enough property owned by the perpetrators was seized to recover a substantial portion of the swindled money.
- b) On behalf of several chemical companies, the area broke up criminal groups that engaged in polyethylene terephthalate (PET) trafficking and in some cases, recovered all the financial losses suffered by the companies.
- c) The area represented a German multinational company in a delicate case involving the lease of a former hacienda in the State of Morelos. After many criminal and civil actions that lasted for over one decade involving environmental and historical landmark issues, the client and its officers were released without liability and the counterparty was sentenced to pay close to six million dollars in legal fees incurred by the German company. The criminal defense was so memorable that it was the subject matter of a study by a well-known Mexico City university and led to an amendment of the environmental law that was then in effect.

The area also handled, for the same company, several criminal cases that led to the apprehension of several employees, including managers, a treasurer, a cashier, and a procurement head that had reaped illegal benefits. As a result of the client's unflinching decision not to allow employees or third parties to commit crimes, and to prosecute them doggedly for many years, the company was not the victim of a crime.
- d) The area successfully defended the project of a major Mexican client to create the largest shrimp farm in Latin America in the State of Nayarit. Angry inhabitants of the zone had invaded the company's premises claiming that its construction had affected the region's environment, as several tributaries of the neighboring river had dried up. The Firm proved during the investigation conducted by the Attorney General's Office (PGR) that the tributaries had been dried up by the effects of El Niño in 1998 and not by the activities carried out by the client in its project. The case was settled in the client's favor.
- e) The PGR attempted to blame Exportadora de Sal for the death of many turtles that had washed up dead off in Guerrero Negro. To protect

Exportadora de Sal from criminal action, the area proved, with an analysis of the turtles' ventral shell commissioned by the area, that the turtles had been the victims of poachers, had been stockpiled on a boat and later dumped back into the sea.

- f) The area handled cases involving drug traffickers who used the empty cargo space of containers of products made by clients of the Firm to carry illegal substances. In one case, the back of the container carrying the concentrate to make pesticides was filled with over one ton of cocaine that was seized at the Port of Veracruz. The area proved that the client had nothing to do with that event; fortunately, the authorities released the concentrate before the start of the farming cycle for which such import was to be used. In another case, the container carrying baby shampoo made in Colombia arrived in the client's premises and when its employees detected that the bottom of the container was full of a large quantity of cocaine, the company asked the Firm to intervene. The Firm advised the company to immediately report the event to the authorities and to ask them to announce that the authorities had seized the alkaloid, to avoid retaliation by organized crime against the company's employees should the criminals wrongly believe that such employees had disposed of the cocaine.
- g) One of the six divisions of a technological giant of Swedish and Swiss capital operating in Mexico was the victim of a large fraud. The external auditor that was reviewing the transactions in which the delinquent was involved was murdered when leaving the company; a short time thereafter, the in-house auditor that continued with the review was attacked at his home and days later (when a criminal report was filed to protect him) died in a car crash when he was driving his vehicle at high speed, presumably escaping criminals. Francisco Tiburcio suffered death threats on several occasions from the criminal. Although it was not possible to prove that the criminal had been involved in the deaths, he was convicted for fraud and for lying under oath in his defense, as he tried to implicate his innocent colleagues to make them responsible of the crime.

This crook was so dangerous that, during his trial and later conviction, the matter was always reported to the head office in Europe.
- h) During Samuel del Villar's term as Federal District Attorney General [*Procuraduría General de Justicia del Distrito Federal*], companies that entered into agreements with the city government (and even with the Federal District Attorney General's Office), were systematically harassed just to avoid paying them under such agreements. They succeeded with a leading computer company (in a case that the Firm did not handle), but in a case that involved a European multinational company that retained the Firm, an attempt was made to avoid paying over twenty-two million dollars without cause. To prove that the accusations of fraud made by the authorities in the media regarding the alleged fraud committed by the client of the Firm were false, numerous steps were taken together with a notary public to show that the Mexico City patrol cars did not effectively use the radio communication equipment



and that the relay antennas in the Valley of Mexico perfectly met their requirements. The authority was so aggressive in this case that the company published a statement on the media drafted by Francisco to defend its position, Francisco was summoned and pressured by judicial police officers to provide information on the client; since he did not provide such information based on the attorney-client privilege principle, he was close to being jailed. Fortunately, the case was settled later in favor of the client.

The Firm represented a world-leader in the elevator industry that had made and delivered to the Mexico City government the escalators for the Collective Transportation System. To avoid paying for the last escalators that were installed and others that were in transit, the city government claimed that it had been the victim of fraud due to the inferior quality of the products that were provided. After a complicated litigation, which included the verification, each day, of the number of documents in the case file (to prevent alterations), the outcome favored the client.

The Firm also successfully defended such company in the case of a fire that took place in a renowned department store which groundlessly claimed that the fire had been caused by a failure in the elevator manufactured by the client of the Firm. After overly complex expert tests, the Firm proved that its client was not responsible.

- i) The Firm broke up criminal organizations that caused serious financial damages to a leading German company maker of cosmetics and to a photocopying machine manufacturer. Several former employees of such companies were arrested and convicted. In fact, during the decade, several cases involving inventory thefts from the finished products warehouses of many clients were successfully handled.
- j) The Firm got six officers of a leading chemical company released within the constitutional term who had been detained based on false charges filed by the counterparty with the illegal help of the authorities. This case was another of the blackmails that have been attempted against companies.

Basham Seminar, *ca.* 1999.  
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k) The Firm, on behalf of a British music publishing company, acted against dishonest employees and assumed the defense with success of the British music publisher from the alleged breach of copyrights. The music publisher had financially backed the new musical group that was expected to be a success, and this included the recording and edition for free of their first record. Some company officer forgot to get the musical group's copyright authorizations and the group members maliciously accused the company of using their work without authorization. The case was settled favorably for the company.

l) The Firm defended a major multinational music publishing company and its advertising company against a complaint filed with the Federal Attorney General's Office by a songwriter claiming the unauthorized use of a work of his authorship in a commercial for the 1994 World Soccer Cup.

Although in the preliminary inquiry, which included the opinion of a *Conservatorio Nacional de Música* [National Music Conservatory] expert appointed by the Attorney General's Office, it was evidenced that the music used in the commercial was different from the composer's work, the Federal Attorney General's Office decided to prosecute the multinational company's legal director and Héctor Calatayud. Finally, the requested arrest warrant was refused and later the case was dismissed. This case was relevant because the songwriter sued for a huge amount in alleged damages and because Héctor was the chairman of the advertising company's board of directors, to which he was appointed at his own suggestion for the purposes of the defense, as the position was vacant when the case began.

Our civil and commercial litigators successfully handled several and diverse cases, one of which also involved the music industry. At that time, the activities of "music publishers" included the production of records, a source of huge royalty revenues; in Mexico and the other Latin American countries, except for Argentina, based on the economic rights assignment agreements that the music publishers entered into with the authors; under such assignment agreement, such music publishers directly collected the royalties. In the case of Mexico, through powers of attorney they entrusted to the Sociedad de Autores y Compositores de Música (SACM) (the songwriters guild) the collection of the royalties for public performance, including radiobroadcasts and concerts.

The SACM was trying to collect and manage all royalties. Since such pretense was improper and considering the millions of money involved, the music publishers, including the clients of the Firm, objected and were able to obtain a decision from a federal district court that confirmed the publisher's direct collection right.

m) On behalf of a French hotel chain, the area proved that the builder of a hotel in Monterrey had disregarded all the agreed upon quality and quantity specifications of the building materials. Before taking criminal action, the area caused the construction company to solve all issues.

n) The area secured convictions in many management fraud cases. One case is especially remembered due to its complexity and the defense

raised, plus the fact that it involved the main executives of a leading company in the pacemaker market.

o) The area successfully represented many companies in trademark infringement cases.

p) The tractor-trailer truck driver of a leading gas company was successfully defended against manslaughter charges involving seven persons travelling in a vehicle that collided with the trailer-truck. The victims' families wanted to sue the company in the United States for millions of dollars.

q) Another case was the hijacking of a truckful of cyanide tanks, which the prosecuting authorities feared could be used to carry out terrorist acts in Mexico. The Firm collaborated with the authorities to recover the truck and the cyanide tanks.

r) The area handled several tax-related criminal cases with the help of Luis Ortiz, Gerardo Nieto, and Gil Zenteno. One case involved the acquittal of an auto parts manufacturer's finance director who had signed tax returns that the tax authorities rejected. The Federal Attorney General's Office had disapproved of the finance director's conduct. It was one of the first cases in which the Firm took part where the release warrant analyzed in full the scope of the so-called functional perpetration by the arrestee, a notion which is used every day in criminal law today.

Handling white collar crime cases is risky, as Francisco Tiburcio well knows: on one occasion he showed up to file a complaint for failure to execute an arrest warrant against an employee who had defrauded Tiburcio's client by not paying for a dozen trailer boxes that his client had ordered. When Tiburcio met with the police chief charged with executing the arrest warrant, the police chief told him that he had tried to execute it on several occasions. To prove his say, he asked Francisco to accompany him and a junior police officer. They found the wanted man as he was going into his house and unsuccessfully tried to stop him, when two armed men came out and started shooting. The police officers fired back. While all this was going on, Francisco got out of the police car by jumping over the front seats (the backdoors of this type of vehicles due to safety reasons cannot be opened from inside). The patrol car was then set ablaze; the arrest warrant was never executed.

Carlos Velázquez de León Obregón is a matchless lawyer in the Firm history. Thanks to his efforts and to the efforts of many others that have assisted him, the Firm has a regional office in Monterrey. He joined the Firm shortly after graduation. His main mentor was Javier Becerra, and he was tutored by Paulino Olavarrieta, Ignacio Orendain, Guillermo Aguilar, Luis Ortiz, and Daniel del Río.

Carlos handled many complex cases as an associate, with other members of the corporate area, such as the following:

a) The Coca-Cola Company's investments and disinvestments with bottlers in Mexico (FEMSA, Continental, Grupo Arma, etc.). His work was so

demanding and intensive (from due diligences to drafting and negotiating contracts), that Carlos had to spend months outside of Mexico City, his hometown.

- b) Under Javier Becerra's direction, he handled all legal aspects related to the opening of JC Penney's operations in Mexico, including its Monterrey store, which was especially complex.
- c) Although VF Corporation was already a client when Carlos joined the Firm, its development as a client is mostly due to him. He started handling matters for such company at its Reynosa brassiere manufacturing plant, until it became one of the largest manufacturers of such undergarment in the world. This was a major factor for VF Corporation's decision to invest more in Mexico. Carlos handled VF Corporation's matters with such zeal that, on one occasion, and due to the urgency of solving a problem with its trade union, and even though his experience in labor law was limited, he solved it successfully. Carlos is the lawyer that primarily handles this client's cases in Mexico. VF Corporation presently has 40,000 employees and twenty-nine plants throughout Mexico.
- d) Carlos handled many ConAgra matters and still does for Gavilon its agrochemical division because of a worldwide spin-off that took place over seven years ago. These matters included the sale to Grupo Kuo of ConAgra's poultry and pig breeding business, for which Carlos lived several months in Mérida.
- e) Carlos actively participated in the opening of Eastman Chemical's plant in Cosoleacaque, Veracruz, at a time when the *PET* production process was new and implied big challenges, especially to import and export the product.
- f) Carlos helped FedEx in the acquisition of several Mexican companies. He devoted so much time to close this exceptionally large acquisition, that he almost did not make it to the church on his wedding day.

The Monterrey office opened on August 1st, 2000. Besides the Firm's regional presence that the Monterrey office has brought about, the number of clients has increased. Its development has been so large that, since its opening, and in the corporate area of such office alone over more than six hundred new clients have come aboard.

As a partner, Carlos has handled many major transactions, such as the acquisitions of Visteon's plants by Ford and of Fábricas Monterrey's plants by Crown; as well as VF Corporation's spin-off and the help provided to Victaulic to enter the Mexican market (the construction and operation of a steel mill in the State of Chihuahua).

Carlos has been a tireless Firm promoter in Mexico and abroad. He is a frequent lecturer in many national and foreign events. In Mexico he chaired the Monterrey Chapter of Instituto Mexicano de Ejecutivos de Finanzas (IMEF) and was a member of the Board of Directors of such institute. He has been the chairman and vice chairman of several Lex Mundi Committees and is currently a member of its Board of Directors; he has

been the deputy chairman of ABA and the vice chairman of several ABA Committees and of several conferences held in different countries. Carlos is also a member of the Board of the Center for International and American Law and of the US-Mexico Bar Association.

On July 1st, 2000, a historic event took place: the candidate of the Partido Revolucionario Institucional (PRI) that ruled the country for almost eighty years was defeated in the presidential election by Vicente Fox Quesada, on the Partido Acción Nacional ticket, and the so-called "era of alternation in power" (*era de la alternancia*) began. On that date, Andrés Manuel López Obrador was elected Mexico City Mayor and the free trade treaty between Mexico and the European Union became effective.



The September 11, 2001, Twin Towers and Pentagon attacks were eventful all over the world; the fight against terrorism became a matter of national security for the United States and Europe and changed the way in which corporate legal services would be provided in the future. Those attacks triggered antiterrorist actions that remain in place to this date. Companies implemented a global strategy to cut down legal costs, and some even decided to increase their in-house areas and to do without outside legal services as much as possible.

Partners' meeting at the Club de Industriales in Polanco, Mexico City, 2000.  
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*Never avoid facing off any government official who carries out arbitrary and illegal acts, regardless of his rank and the consequences of the face-off on your professional practice. Power is short-lived; reason and justice prevail.*

*If you are afraid of being involved in a morally correct case, you better give up law practice. Your client deserves all your professional skills and dedication.*

Francisco J. Tiburcio Celorio

This decade was characterized by armed conflicts and everyday terrorist acts. For years, wars raged in Iraq and Afghanistan, along with the second Lebanon war. Cowardly terrorist acts around the globe were innumerable; the taking of a theater in Moscow by Chechen rebels that caused 117 fatalities, Bali assaults with over two hundred dead; the Islamic extremist attacks at the Madrid suburban train network that caused one hundred dead; the school massacre in Beslan, North Ossetia, with 385 dead (186 children); the four coordinated London bomb attacks by suicide terrorists on the London transit system; the Virginia Tech tragedy, where a student of such university murdered thirty classmates; and the Mumbai suicide terrorist attacks that caused one hundred dead.

Big natural disasters also occurred: the worst tsunami in history, with a death toll of over 200,000 in India, Thailand, Sri Lanka, the Republic of Maldives, and Myanmar; the Kashmir region earthquake that killed over forty thousand persons; hurricane Katrina that flooded New Orleans and caused hundreds of dead and unquantifiable damages; the H1N1 pandemic that originated in Mexico and set off alarms all over the world; and the terrible earthquake in Haiti, that killed over 200,000 persons and devastated the poorest country in America.

Among all those calamities, a positive event stands out: a sizable portion of humankind put aside its innocence regarding the gravity of climate change and its anthropogenic origin. Rising and erratic global temperatures caused a substantial number of deaths due to heatwaves in Europe in 2003 and Russia in 2010, while hurricanes and cyclones were like the hurricanes and cyclones that occurred in the preceding decade. The magnitude of this problem is such that it is estimated that in this decade over 370,000 deaths are attributed to climate change.

From an economic point of view, what marked this decade no doubt was the severe world financial crisis that led to the fall of Lehman Brothers, the fourth largest investment bank in Wall Street, and a never-before-seen economic recession since the Great Depression of 1929. The real estate bubble and especially the deficient policies to grant mortgage loans, triggered a cascade of generalized consequences in several countries, including the electoral defeat of John McCain by Barack Obama in the 2008 presidential election.



Foreseeable effects of climate change landscape,  
2019. © DAVID MAAWAD



President Vicente Fox Quesada and President-elect Felipe Calderón Hinojosa at the official residence of Los Pinos, Mexico City, September 6, 2006.

PHOTOGRAPHY: MOISÉS PABLO © CUARTOSCURO

Mexico had problems of its own, most importantly the increase in insecurity and the flourishing of criminal groups that caused thousands of deaths. The transit to democracy with Vicente Fox Quesada fell short for many Mexicans; due to such poor results, the 2006 elections were the tightest elections in history: Felipe Calderón Hinojosa was elected with less than one percent of the votes over Andrés Manuel López Obrador, who did not accept the election outcome and organized protest demonstrations which seriously affected the country's political environment.

In contrast, the economic policies implemented by Fox and Calderón made foreign investors trust Mexico and for several years historical levels of investments were achieved, and this led to a favorable environment for the private sector to make long-term investments in the country. These were boom years that favored a sustained increase in the incorporation of new companies, which at the same time gave rise to an increased demand for legal services by the business community and an increase in the Firm's workload.

In 2002, the Firm celebrated its ninety years of existence in a hotel in Polanco, attended by over 1,500 guests. The tax area successfully handled complex matters derived from multiple amendments to the tax laws that traditionally take place by the end of each year. In one of such cases, the Firm secured a favorable judgment in an amparo filed to prevent the tax authorities

from conducting an on-site inspection on a client, and an order to cancel the inspection, as the client had given timely notice that it had decided to have its financial statements audited for tax purposes.

The foreign trade and customs area experienced rapid growth. Gerardo Hernández and Sergio Barajas handled many matters together, among which the following are outstanding:

- a) Several tax- and foreign trade-related lawsuits for Colgate Palmolive, and the regularization of the land lot where the new U.S. Embassy is under construction.
- b) The creation of strategies for Herbalife regarding the value added tax (VAT) applicable to food supplements, the determination of the correct

tariff classification applicable to these products and securing major court rulings in its favor.

- c) Assisting SAAM Remolques in defining the strategy to fully comply with the legal legislation applicable to the temporary importation of goods and achieving a significant reduction of the tax impact on the company's operations.

Since Mexico joined the Patent Cooperation Treaty in 1994 and in 2000 joined the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks. Because of Mexico's joining such treaties, the filing of patent and trademark registration applications increased in the country and therefore in the Firm. The *Instituto Mexicano de la Propiedad Industrial* [Mexican Institute of Industrial Property] (IMPI) implemented more effective means to fight unfair competition and industrial property rights infringement. It also implemented more temporary restraining orders, inspection visits and tougher actions to seize merchandise that infringed industrial and intellectual property rights, and fines for infringing such rights. This made the protection of industrial property in Mexico more reliable and caused the area to double its efforts and to appoint a new partner in the area. Eduardo Kleinberg Druker was the natural choice and was made partner effective January 2003.

Eduardo Kleinberg Druker is a remarkable and well-known lawyer in Mexico and abroad. He is charged with providing intellectual property law advice and to keep track of the various official procedures related to thousands of trademarks handled by the Firm; he also heads and leads the franchise work team. As many other lawyers, Eduardo joined the Firm as an intern in March 1993, and has worked always in the industrial and intellectual property area. His career was shaped by Martín Michaus, but Eduardo Correa and José Hinojosa also mentored him. His resolve to forge a career in the Firm and to help the area to grow is such that the first time that he served a cease-and-desist letter on the infringer of a client's rights he got the infringer to immediately contact Martín Michaus to settle the conflict.

In June 1995, Eduardo became an associate, as he graduated with honors from Universidad Iberoamericana; he later earned his law master's degree from Chicago University. During this decade, he started directly handling the processing of many trademark registrations, including several major cases involving the Calvin Klein brand, and with the participation of IMPI, the Department of the Treasury and the Federal Attorney General's Office (PGR) seized large quantities of goods that illegally bore that brand.

As a partner, Eduardo led several antipiracy raids, including some outside the Mexico City Sports Palace during National Basketball Association (NBA) games, and seized all the counterfeit goods on sale.

Eduardo has been an outstanding promoter of the industrial property area in different venues, and he has been president and international vice president of the *Asociación Mexicana para la Protección de la Propiedad Intelectual* (AMPPI); president and vice president of Licensing Executives Society International, Mexico Chapter; chairman of the Intellectual Property Commission of the International Chamber of Commerce (ICC); president of the Mexican Chapter of the International Association for the Protection of Intellectual Property; chairman of the Intellectual Property Commission of the [*Confederación de Cámaras Industriales de los Estados Unidos Mexicanos*]

Confederation of Industrial Chambers of the United Mexican States (CONCAMIN), which appointed him to represent its industrial property chapter in the negotiating process of the Trans-Pacific Strategic Partnership Agreement (TPP); president of the Intellectual Property Commission of the *Ilustre y Nacional Colegio de Abogados*; representative delegate of the Mexican group of the Inter-American Association of Intellectual Property (ASIPI), and chairman of the Non-Traditional Trademarks Committee of this association. Eduardo has for several years been a distinguished member of the Executive Committee of the Firm and has successfully managed to conciliate diverse interests to attain the Firm's common goal, namely, the Firm's growth and stability.

Eduardo has attracted innumerable clients for the Firm, such as América Móvil (Telcel), Diageo, DreamWorks, the IHG hotel chain, Lowe's, NBCUniversal, NuBank, OGGI, Peacock TV, SKY, Supreme and Walt Disney.

As the labor area also grew, a partner of that area had to be appointed join to the regional office in Monterrey. Enrique García Conde, who was made partner also effective January 2003, became the first partner in that area in the Monterrey office. He was the perfect labor law litigation complement for the area headed by Oscar de la Vega. He served the clients of the Firm in northern Mexico for which he handled hundreds of cases, especially lawsuits involving individual employment relations. He resigned in December 2011.

Finally, Gil Alonso Zenteno García was made partner, also effective January 2003.

Gil is an extraordinary tax lawyer and litigator. He joined the Firm as an intern in October 1989 to work with Gerardo Hernández in the customs and administrative law area and later joined Héctor Calatayud and Ricardo Hernández in the civil and commercial law area. After 1991, he worked exclusively in the tax area and was trained by Paulino Olavarrieta, Ignacio Orendain and Luis Ortiz.

He graduated from law school with honors and earned his master's degree in Financial Law, with the highest-grade point average of his generation. He is the recipient of the Hermano Miguel Febres Cordero medal awarded by Universidad La Salle. He has three postgraduate diplomas from Universidad Panamericana and enrolled in Harvard University's Program of Instruction for Lawyers. Gil spent an *internship* in the law firm Goodwin, Procter & Hoar, LLP., in Boston.

He coauthored *Los Artículos 14 y 16 de la Constitución Política de los Estados Unidos Mexicanos y las Garantías Individuales en Materia Tributaria*, winner of Colegio de Contadores Públicos de México, A.C.'s Tax Research Award.

Due to his professional track record, Gil has been ranked among the most outstanding tax lawyers of Mexico by Chambers Latin America and Latin American Corporate Counsel Association (LACCA) and was included in *Forty Under 40 Mexico's Young Guns* published by Latin Lawyer. His academic talent and his interest in the development of students has led him to teach at Universidad Marista, Instituto Tecnológico Autónomo de México (ITAM), Universidad La Salle, Universidad Panamericana and Universidad Anáhuac del Norte.

Gil has been a member of the Executive Committee and other committees of the Firm. Since 2012, he has successfully headed the social security area, and has consolidated it as an independent and productive practice.

Gil was a founding member of the Interns Committee of the Asociación Nacional de Abogados de Empresa (ANADE), Coordinator on two occasions of ANADE's Tax Committee, and a member of its National Board of Directors. He has been a member of various National Boards of Directors and Executive Boards of the Instituto Mexicano de Ejecutivos de Finanzas (IMEF). He is a member of the Taxes Committee of the International Bar Association (IBA).

A number of companies filed amparos against the *Impuesto Empresarial a Tasa Única* [Flat Rate Corporate Tax] (IETU). At the public hearing at which the amparos were to be decided and which was attended by



various authorities, associations, bars and litigators, Gil, as coordinator of ANADE'S Tax Committee, summarized the reasons why the IETU was unconstitutional. So many companies filed amparos and so much money was involved, that the hearing was aired on live television and covered by Mexican and international media.

Gil has coined phrases like *The biggest mistake that a lawyer can make is to take something for granted*, to mean that we should never rely on some future event or on someone else doing something no matter how desirable this may be; *The night is long and Who said litigation is easy?*, to refer to lawsuits or cases entrusted by clients when the deadline to answer them is about to expire; *If I say it can be done it's because I have done it*, to stress the fact that everything can be achieved with hard work and dedication.

Partners' meeting at Sir Winston Churchill's restaurant 2002. © BASHAM, RINGE Y CORREA, S.C.

Ever since he joined the tax area, Gil has tirelessly fought for the legality and constitutionality of the laws. He has handled many lawsuits as an associate lawyer and as a partner. Due to their novelty, complexity or transcendence, these cases stand out:

Gil defended a client in the first annulment action filed by the tax authorities against a favorable decision issued in compliance with a judgment of the Federal Tax Court declaring proper to refund income tax plus interest. This case called for years of intensive litigation, and Gil not only faced the legal aspects but also the long arm of the Mexican State's political power.

He secured the first judgments in which the Courts accepted that fruit or vegetable juices and nectars be regarded as food, and therefore that their sale should be subject to the 0% value added tax (VAT) rate, not to the general 15% rate that was in effect then. Gil also caused the Courts to issue judgments that recognized the application of the 0% VAT rate to the sale of food cooked and sold by a restaurant to be eaten elsewhere as "take out" and "home delivery" food, whether the restaurant had onsite dining facilities or not, rather than the general rate under the Value Added Tax Law.

Gil has attracted many clients, such as Apasco, Blein Consulting, Chrysler (in tax matters), Costco (in tax matters), Délégation Générale du Québec à México, Desarrollo Inmobiliario Polanco, Dinafarma, Epson, Fire Equipment, Gaming Tech, Hapag-Lloyd, IBM (in tax matters), Inmobiliaria CWM, JB y Compañía, Johnson & Johnson (in tax matters), Lennox, Mabe, Novus, Pizza Hut, PHM, Randstad, Servicios Agrícolas de Tequila, Sony Music Entertainment, Sports World, Stikeman Elliott, Tecmed, Top Entertainment, Xertica, Yoli de Iguala, Zest Gaming, and Ziphorah.

Criminal law matters also increased in this decade. Besides Alejandro Catalá and Gilberto Valle, several lawyers joined the area who diligently attended to matters for various clients; in February 2011, Jorge Medina Elizondo was appointed to head the area in the Firm's Monterrey office. The number of cases increased, as did the risks involved in some of them, as organized crime increasingly permeated Mexican society. Due to their importance and sensitivity, these, among many others, were outstanding:

a) On behalf of a leading cosmetic and beauty products manufacturing company, the area handled theft and fraudulent management cases. Since company employees participated in the crimes. Fighting this unlawful behavior was difficult.

In one of these cases, Francisco Tiburcio was held hostage for seventeen hours by criminals and colluded officers who tried to frame him and even planted alleged evidence in his car to incriminate him. The area moved swiftly and Alejandro Catalá and Gilberto Valle, as his defense attorneys, were present when Tiburcio gave his statement before the public prosecutor in the wee hours of the morning. After posting bond for his release, legal steps were taken to prove the willful acts involving public servants and false witnesses. The area proved to the Federal District Attorney General's Office [*Procuraduría General de Justicia del Distrito Federal*] that Francisco did not commit any crime, and the Attorney General's Office pressed perjury charges against eight persons.

b) In 2003, the same criminals threatened another group of U.S. companies and its Mexican subsidiaries based on the termination of the distribution contracts by the subsidiaries. As a result of a fabricated criminal investigation conducted in the State of Mexico by corrupt public officials, and without summoning the company employees who allegedly were the responsible parties, arrest warrants were issued and executed against them. In view of the serious procedural irregularities and of the fact that no crime had been committed, the Firm got all the employees released.

The Firm further found that other criminal complaints had also been filed in Mexico City and in the State of Morelos unbeknownst to the officers of the companies mentioned above as alleged responsible parties. Such complaints were also dismissed without liability for such officers.

Since some of the criminals were domiciled in the United States, our client decided to file legal action against them in the United States. This case called for Héctor Calatayud and Gilberto Valle to stay several days in Texas to testify before a judge, while Francisco Tiburcio testified during Discovery.

Due to the termination of said distribution contracts, several former distributors filed arbitration proceedings in Mexico and sued for substantial amounts of money. Ricardo Hernández and Héctor Calatayud handled the arbitration proceedings. After several years of litigation, which involved the handling the annulment actions filed by four of the former distributors against awards issued in favor of our client, as well as the amparos filed against the judgments issued in these annulment actions, and in view of the serious irregularities involved in processing the amparos, the Supreme Court of Justice was asked to exercise its change of venue authority. These cases were resolved in favor of the client's interests.

c) On behalf of several pharmaceutical laboratories, the area fought the production of counterfeit medicines in the country. The fact that the Firm secured the first conviction in Mexico of a person that falsified medicines is especially relevant, as is the successful fight against the production of falsified medicines for HIV/AIDS patients.

d) The area filed criminal actions on behalf of a leading toy maker that led to the prosecution of three former officers who stole trade secrets and offered them to competitors. This was the first lawsuit of its kind in Mexico since the late twentieth century. This case lasted more than two decades and included a lawsuit in the United States in which Francisco Tiburcio was cross-examined for three consecutive days.

e) The area successfully handled cases of employees of some clients that had child pornography on the computers assigned to them as work tools; the responsible parties were prosecuted.

f) The area handled a case on behalf of a leading auto part maker, involving its top-ranking executives in Mexico who connived with government officials to carry out crimes against the company. The area caused the authorities to hold the company free and safe from any contingency derived from acts of corruption carried out by its employees.

- g) On behalf of a leading electronic products manufacturing company, the area successfully contested a false accusation involving over one hundred million dollars due to alleged undue use of a registered trademark; the area claimed as a defense that a copyrighted-protected software was involved, and the case was settled in the client's favor.
- h) The largest accounting firm in Mexico was successfully defended against an alleged undue use of copyrighted work.
- i) The area handled many piracy cases which involved goods unlawfully bearing our clients' registered and protected trademarks. The case of a client should be especially mentioned as, after working with the client for two decades, the area has caused over two thousand seizures of containers or products imported by air. The area also caused the seizure of over one million counterfeit products in a single raid conducted for another client.

Pedro Gil and Luis René González retired in 2004, Guillermo Aguilar followed suit in 2006, as did Javier Becerra in 2009. This put an end to the fourth generation of partners. Such retirements and the growth of the tax, criminal, and corporate areas caused the remaining partners to make new partners and so at the November 2005 partners' meeting, Alejandro Barrera Fernández, Alejandro Catalá Guerrero and Juan José López de Silanes were made partners effective January 2006, and Miguel Ángel Peralta García and Amílcar Peredo Rivera were made partners effective January 2007.

Alejandro Barrera Fernández is an exceptional lawyer, and a most sympathetic person. When complex transactions are involved that call for a vast knowledge of Mexican tax legislation and of their tax impact in other jurisdictions, Alejandro is the man to call on.

He joined the Firm as an associate in July 1994, and for some time worked with several tax area lawyers. He was principally taught by Paulino Olavarrieta, Ignacio Orendain and Luis Ortiz. He handled several relevant cases; most pointedly i) Anheuser-Busch's acquisition of Grupo Modelo's shares, a most illustrative transaction as, besides its complexity and the amount involved, its political implications were many; ii) McDonald's on how to apply the 0% VAT rate to the sale of food cooked in the restaurant's premises to be eaten elsewhere; iii) Solar Turbines and its subsidiary on the installation and commissioning of turbines and their maintenance for PEMEX, and advised Accord Servicios Empresariales in drawing up the structure of its operation in Mexico, which was transcendental for the later use of grocery coupons and the tax treatment to be afforded to social welfare matters; iv) he advised Ceras Johnson, Colgate Palmolive and other companies on the tax treatment to be given to advertising on broadcast television, under the so-called French Plan, namely, an advertising cost prepayment discount; v) several cases involving the operation of Volkswagen Group companies, such as the opening of VW Bank, in which Alejandro is a Director; vi) he also participated in the tax structuring of Grupo SAAM's joint venture with Smit-Boskalis, a multinational transaction that turned joint venture into one of the major companies in its field in the world.

Alejandro also helped ABB Power Generation to create power generation consortiums in Mexico and Praxair to build "special gases" plants, also

in Mexico; he helped Goldcorp to acquire mining operations in Mexico and to sell the mining companies Los Filos and Desarrollos Mineros San Luis. He also provided assistance in structuring the operations of Minera Peñasquito, one of the major gold mines in the world, which is now owned by Newmont, the largest mining company in the planet; he advised Johnson & Johnson to cause the sweetener Splenda to be subject to the 0% VAT rate; he drafted for The Royal Resorts and WSFL the tax structure of the purchase of the timeshare program membership portfolio and for participated, on behalf of Herbalife in, among other transactions, the tax aspects of food supplements and complements and provided advice in the merger of Roadway Express and Yellow Transportation Mexicana, as a result of which YRC Transportation was created.

As a partner, Alejandro has taken part in several corporate reorganizations from the tax point of view for the likes of ADT, Borg Warner, Bwin, Grünenthal Pharma, Invekra, Janssen Cilag, Johnson & Johnson, Kellogg, Merck Sharp & Dohme, Oro Gold Resources, and Oro Silver Resources. He has counseled many companies in several transactions and in the startup of business activities in our country, outstanding among which are Bingames Entertainment, Costco, FedEx (which he helped to determine how to apply the VAT on cross border transport), First Majestic, Greyhound, MasterCard, Noble Drilling, PROSA, RR Donnelley, and Shell.

Alejandro also counseled Grupo México on the foreign tax credits to which Grupo México was entitled in Mexico for the indirect dividends distributed by its international operation to JP Morgan Chase as payment for foreign trade management services, in the dissolution and liquidation of YRC Transportation, Heinz on its purchase of other companies in the same line of business in Mexico, and Arist Medical Corporation on its acquisition of Lamar.

Alejandro attracted many clients, such as Agnico Eagle Mines, Amazon, Banco de México, Blackhawk, GE Money Bank, Newmont (formerly Goldcorp), Japan Tobacco, Livingston (with Sergio Barajas), Museo Diego Rivera, Museo Franz Mayer, Museo Frida Kahlo, Museo Interactivo de Economía, Petrolink, Servilámina Summit, Trafigura, Tresmontes Lucchetti, WalMart (in tax matters) and YUM Restaurants.

Alejandro has coined several priceless phrases: *Do not fall in love with prestige, Always act consciously, on the belief that it is the best decision, and therefore the decision that you can live with, and The two most important degrees that everyone should strive to earn are a degree in fairness and a degree in honesty.*

There is another Alejandro, a very dear friend of the author of these lines: Alejandro Catalá Guerrero is the second criminal law partner in the history of the Firm and an important asset in the development of the criminal area. It is difficult to list Alejandro's many qualities as a person and as a lawyer. A man of integrity, highly professional, who impeccably handles scenarios in any field, and who always manages to reach his goals. He also was educated in the Firm; he joined the corporate area as an intern in March 1990 and worked under Federico Medina Contreras's tutelage; he joined the criminal area in 1991, where he has worked for over thirty years. He earned his law degree in June 1994 from Universidad del Nuevo Mundo, and has handled many major criminal cases, some of which have been mentioned before. He took Criminal Law, Civil Law, Civil Procedural Law and Commercial Procedural Law and Amparo Law post graduate courses at Universidad Panamericana.

Alejandro's commitment to the Firm is nothing short of legendary. While the Firm still was on Liverpool Street and he had recently joined it, as an intern, he got on the elevator. Ignacio Orendain and other lawyers were already in the elevator. Ignacio, as polite as ever, asked him, *Where are you going, young man?* meaning what floor he wanted to go up to. Alejandro, with his peculiar sense of humor, answered, *Me? I'm on my way to success.* Everyone in the elevator laughed. Alejandro, among his many qualities, has lightened up many Firm's celebrations with his great sense of humor.

Alejandro has been regularly active inside and outside the Firm. Due to Ricardo Hernández's departure, Alejandro and Francisco Tiburcio coordinated the civil litigation area for several years. Alejandro has done so directly since July 2017. His performance has been remarkable. He has been an outstanding member of the Executive Committee of the Firm for over ten years in different periods. In addition, he started and completed the negotiations that led to the Firm's becoming the representative in Mexico of FraudNet, the world's major organization devoted to recovering assets stolen by criminals.

Alejandro is an active member of ICC, Mexico Chapter, both as an advisor and as Vice Chair of the Corporate Intelligence and Risk Management

Commission. His participation in IBA's Criminal Law Section has been particularly outstanding.

The Federal Judicial Branch issued the following ruling due to Alejandro's outstanding work, with the help of Miguel Ángel Hernández Ortiz, another distinguished member of the Firm's criminal law penal area: *Producing misleading evidence to induce the judge to error and thus to issue a specific ruling is not part of the access to justice principle, and is enough to consider it fraud on the court under Federal District Penal Code Section 310.*

Alejandro has attracted Convermex, Ivoclar Vivadent, Lexmark, Mercado Libre, and Royal Sun Alliance as clients, among others.

Alejandro's "quotable quotes" include: *The best response to a consultation is the one that leaves you exhausted, It's better to say "it can't be done" than not to mention the consequences of doing something, and The most reliable lawyer is not the one who knows more but the one who does better review and research work.*

Juan José López de Silanes is another outstanding corporate area lawyer. He was trained by Daniel del Río and forged his professional career in the Firm. Juan José joined the Firm as an intern in 1994 and became an associate in June 1995, after graduating from Universidad Iberoamericana,

Basham Seminar, 2004.  
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Mexico City campus. He went on to earn his master's degree from the University of California at Berkeley.

As an associate, Juan José participated in many major cases. One of them was the Mayakoba development, in the Riviera Maya, built by our client OHL. The project was worth close to one billion dollars and included the construction of six grand luxury hotels (such as the Fairmont, Banyan Tree and Rosewood), a professional PGA golf course, and some inland canals, and left mangrove forests and jungles practically untouched. Mayakoba no doubt was the watershed of the real estate developments in that zone, as well as an environmental protection model.

As a partner, Juan José has handled many major cases, such as the negotiation and closing of the purchase and sale of the property where the new Embassy of the United States in Mexico is under construction. With Daniel del Río, the purchase of Comex by PPG Industries; this was such a large transaction that for more than a year the Firm devoted over 35% of its lawyers' time to carry out the due diligence of Comex all over Mexico.

Juan José was a Board member of World Services Group and is now vice chair of the Real Estate Section of LexMundi, a member of IBA's Law Firm Management Committee and Real Estate Section. His work for the Firm has been invaluable; he is a great promoter of the Firm's growth and makes sure that the Firm is professionally managed; for several years he has been an outstanding member of the Executive Committee of the Firm.

Juan José has been an important business generator for the Firm. The many clients that he has attracted include Gerdau (a Brazilian company in the steel industry and one of the largest companies in the world), JK Tyre (an Indian company that acquired Tornel in Mexico), RR Donnelley and Sudamericana Agencias Aéreas y Marítimas (SAAM), a group of Chilean companies in the shipping and marine terminal sector.

Miguel Ángel Peralta García is no doubt the Firm's banking law practice leader; because of him, such area has grown rapidly in the past years. He joined the Firm in August 1994 as an intern and earned his law degree in January 1995. He was primarily trained by Daniel del Río and worked with Herman Kiehle and José Salem.

As an associate, Miguel Ángel participated in several highly relevant transactions, such as the purchase of three hundred and seventy industrial plants owned by G. Acción, and of a Banamex office building in Monterrey, in a joint venture entered into by two foreign pension funds: a California employees' pension fund and a British Columbia Province employees' pension fund in Canada (the first such venture in our country); due to its size, this transaction, led by LaSalle Investment Management, was considered the biggest real estate transaction in Mexico in 2004, as it involved an investment of around three hundred million dollars and the renegotiation, with GE Real Estate, of the funding for such industrial plants, which called for modifying the mortgages on all of them; the plants are located in thirteen states of the Republic.

Other relevant transactions in which Miguel Ángel participated were the sale of Resistol, at the time owned by Grupo Kuo (formerly Grupo Desc), to Henkel, and the Grupo Kuo-Herdez joint venture, which resulted in the incorporation of Herdez del Fuerte, to which the food divisions of both companies were transferred; at the present time, Herdez del Fuerte is one of the largest food sector companies in Mexico.



As a partner, Miguel Ángel participated in other highly significant transactions, including the joint venture pursuant to which Bradesco, a Brazilian bank, introduced the Bradescard credit card in Mexico. The joint venture was formed by Bradesco and the Swiss company Cofra, and used Cofra's finance business at the clothing stores of its Mexican subsidiary C&A. A sophisticated trust was created in Mexico for this joint venture, and an innovative structure was used. Miguel Ángel counseled Grupo Kuo in the formation of a joint venture with the Spanish company Repsol, which originated the Grupo Dynasol joint venture, to which companies and businesses in the United States, China, Spain, and Mexico were contributed. Such joint venture engages in making and selling synthetic rubber and currently is a major player worldwide.

Miguel Ángel has attracted numerous clients, such as British Columbia Investment Management, which directly retained the Firm to replace LaSalle Investment Management as manager of its real estate portfolio; since then, Miguel Ángel directly manages all its investments in Mexico. Although Miguel Ángel did not generate the client directly, the many transactions that he has handled for Grupo Kuo have strengthened the Firm's ties with that company in all its merger and acquisition transactions.

Miguel Ángel is proud of the Firm: *There is nothing more rewarding than having learned in Basham and having the opportunity to teach the new generations.*

Amílcar Peredo Rivera is a pioneer lawyer in the economic competence field in Mexico. He is an extraordinary lawyer and his book, *Competencia Económica. Teoría y práctica*, published in 2004, was one of the first books that broached this subject in Mexico. Everyone in the Firm knew that Amílcar would make the Firm's economic competence area to reach new

Partners of the Firm meet to exchange views, ca. 2004. © BASHAM, RINGE Y CORREA, S.C.

heights; after so many years of experience, the outstanding results of Amílcar's practice are evident.

Amílcar joined the Firm in March 1992, as an intern in the labor area with Pedro Gil. He later joined the corporate area and worked with Herman Kiehle, Javier Becerra, and Carlos Velázquez. He became an associate in June 1996, and since then he has participated in many cases, such as JC Penney's exit from Mexico and the sale of part of its properties to Grupo Sanborns, the purchase of Wearever by Newell Rubbermaid, and the sale of the Interbrew shares in Cervecería Cuauhtémoc Moctezuma.

As a partner, Amílcar advised BASF to cause the Federal Economic Competence Commission, which at the time was named *Comisión Federal de Competencia* [Federal Competence Commission] (COFECE), to authorize the acquisition of several companies, the last one being the seed business that Bayer sold to BASF; he assisted Coca-Cola to cause COFECE to authorize the acquisition of several companies or business lines, such as Sidral Mundet, Ades and Santa Clara; he secured COFECE's authorization for Iberia and British Airways to merge; on behalf of Iberia, British Airways and American Airlines, he secured the authorization for the three airlines to operate under the association One World Alliance; he also secured COFECE's authorization for Bank of America to purchase Merrill Lynch, for PPG Industries to purchase Comex, and for Microsoft to buy a Nokia business division. He has represented many companies in several COFECE collusion investigations and represented Coca-Cola in several abuses of dominance investigations. Other companies that Amílcar has advised in economic competence matters include GlaxoSmithKline, Tetra Pak, FedEx, Takeda, Volkswagen, Sony, and Panasonic.

The many clients that Amílcar has attracted include British Airways, Clorox, Haag Streit, Microsoft, and TikTok. He has also been an important member of the Firm's Management Committee.

Due to the Firm's growth in the decade, at the December 2007 partners' meeting Adolfo Athié Cervantes, Luis Emilio Luján Sauri, and Gabriel Pizá Avilés were made partners effective January 2008.

Adolfo Athié Cervantes is a distinguished litigator in administrative cases generally and particularly in intellectual property and data protection cases. He is the head of the litigation section in that area, where he created an information technology and personal data protection team of high renown in Mexico and abroad, and supervises litigation at the IMPI, actions for the judicial review of administrative law decisions, and amparos. Thanks to Adolfo's and his team's work, on January 8, 2021, the Supreme Court of Justice issued three important precedents in patent matters, which shows the caliber of the litigation cases handled by the area.

Adolfo is an Universidad Nacional Autónoma de México graduate and has taken specialized courses in Business and Corporate Law and Amparo Law at Universidad Panamericana. He joined the Firm in 1988 as an intern and was a two-time associate: from April 1991 to September 1999 and from May 2004 to the date on which he made a partner. His mentors were Ignacio Orendain, Jorge Diep, Martín Michaus, and José Hinojosa. As an associate, Adolfo collaborated on various amparos involving the aerosol industry filed against a court ruling that prohibited the sale of aerosol in the city of Puebla, and against the *Ley de Atribuciones del Ejecutivo Federal en Materia Económica* [Law on the President's Economic Powers], regarding the price controls imposed on the pharmaceutical industry. He caused the Supreme Court of

Justice to declare Article 151, Section IV (trademark annulment), of the *Ley de Fomento y Protección de la Propiedad Industrial* [Law to Promote and Protect Industrial Property] unconstitutional in the case known as "El Tigre," which due to its importance was published on the front page of the newspaper *Reforma* on January 4, 2004. He also caused the *Sabor a Venecia* trademark to be declared null and void through a new ruling on trademark intent-to-use assignment recognized by a Federal Circuit Court in Administrative Matters.

As a partner, besides achieving the registration of two different famous trademarks Citibank and Banamex by merging them to form the Citibanamex trademark, Adolfo and his partner Juan Carlos Serra created a new legal strategy to set up gas stations of ExxonMobil in Mexico. In 2013, Adolfo started analyzing ways to enforce the make up for lost time principle in processing patents, which the *Ley de la Propiedad Industrial* [Industrial Property Law] did not address. Adolfo held that the Mexican patent validity period was unfair, as the law permitted different validity periods based on circumstantial issues not related to the patent owners. He authored several articles on the subject and in 2018, on Bayer Healthcare's behalf, he filed an amparo to make up for the time that Bayer Healthcare lost in processing the registration of a patent for a kidney cancer fighting active ingredient. Adolfo secured the definitive suspension of the ruling and prevented the patent expiration from being published on the *Gaceta de Propiedad Industrial* [Industrial Property Gazette]. Seven years later, on October 14, 2020, the Supreme Court of Justice granted the amparo and protection of the federal justice to Bayer Healthcare and gave it three extra years of patent protection to make up for the time lost in processing the patent application. This case caused the Supreme Court of Justice to issue three precedents, one of them being: *Whenever delays occur in the processing of a patent registration application due to the administrative authority's delay in approving the application, the patent validity period may not be less than seventeen years counting from the date on which the patent application was approved (systematic interpretation of Article 23 of the repealed Industrial Property Law)*. These decisions were historic and fundamental to apply for fair validity periods of patents on the same strategy, before the new *Ley Federal de Protección a la Propiedad Industrial* [Federal Industrial Property Protection Law] came into effect, which established a limited make up period. This case was so important and its impact so great that it was published on several newspapers of Mexico and was analyzed by specialized lawyers' associations. Based on this precedent, the Firm was approached by new clients seeking this fair benefit detected by Adolfo.

Adolfo has also been a distinguished member of AMPPI, the International Trademark Association, the International Association of Privacy Professionals, and the Pharmaceutical Trademark Group. He has published numerous articles and essays on Mexican and foreign trade magazines such as Privacy Law Adviser, Managing Intellectual Property, World Finance, El Foro, La Barra, El Abogado Corporativo and El Mundo del Abogado on legal cases in which he has participated directly.

Adolfo has attracted several clients, such as Alcon Laboratorios, Bayer Healthcare, Burberry, Citigroup, Colorantes Importados, CrossFit, Laboratorios Sanfer, Major League Soccer, Navistar, NFL Properties, Novartis, Sanofi Aventis, and Westlake Chemical, among others.

Adolfo is passionate about law and the Firm, as the following phrases show: *If a legal concept is absurd and illogical, most likely it is unconstitutional;*



*Rather than an obligation, work should be a passion: the outcome is abysmally different, and A parameter that should be applied to decide whether to retain an intern or not is when the intern adopts the case entrusted to him as his own and does not neglect it.*

Besides being a great leader and a role model, Luis Emilio Luján Sauri is the only lawyer in the Firm's history that has worked successfully in all the Firm's offices. Luis started working in Mexico City; in 2000 he was a key element for the development and consolidation of the Firm's Monterrey office; he then worked at the Firm's Querétaro office and turned it into the top-ranking office it is today. With Gilberto Valle, he opened the Firm's office in León, Guanajuato. Luis's role in turning the Firm from a single-city (Mexico City) into a multi-city (Mexico City, Monterrey, Querétaro, and León) Firm in twenty years was crucial. We all gratefully acknowledge his contributions to the Firm.

Luis joined the Firm as a lawyer in March 1995 and worked with Guillermo Aguilar, handling the corporate aspects of many companies. In that period, he took part in several mergers, acquisitions, and reorganizations

of companies in different industrial fields, such as the home appliance, music, oil, power, garment, footwear, food, automotive, air space, agriculture, livestock, agro-food, mold and die manufacturing industries, etc. He particularly participated in the creation of several automotive industry clusters, as a result of which vehicle manufacturing companies brought their production and supply chain to different states of the country. He handled several acquisitions by SmithKline Beecham, which later merged with Glaxo; he also participated in several automotive industry-related transactions involving Ford, General Motors and Volkswagen and their main suppliers.

As a partner, besides taking the regional Querétaro and León offices to the level now they have and handling cases in several central Mexico states (Aguascalientes, San Luis Potosí, Querétaro, and Guanajuato), Luis has participated in high-profile transactions for American Axle & Manufacturing, one of the main suppliers of General Motors. For many years, he has advised Faurecia in its accelerated growth all over the country and has counseled it in the construction and startup of several plants in Aguascalientes, Coahuila, Guanajuato, Puebla, Querétaro, San Luis Potosí, and Sonora.

Basham Seminar, 2005.  
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Partners meeting, ca. 2003.  
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Luis was co-chair of the US-Mexico Bar Association, has been a coordinator and advisor to the Nuevo León Chapter of the BMA, is vice chair of the Cámara Franco-Mexicana de Comercio e Industria, Bajío Chapter; he is an advisor to the Asociación de Ejecutivos de Relaciones Industriales, the Secretary of the Asociación Mexicana de Manufactura de Moldes y Troqueles, an Advisor to Confederación Patronal de la República Mexicana, and in 2017 was the recipient of the Ramón H. Eberstadt businessman of the year award in the City of Querétaro. He was the vice chair of the Managing Board of *Instituto Mexicano de Mejores Prácticas Corporativas, Capítulo Bajío*

[Best Corporate Practices Institute of Mexico, Bajío Chapter], and has been a professor at the Instituto Tecnológico de Estudios Superiores de Monterrey, Monterrey Campus, and Universidad Anáhuac, Querétaro Campus.

Luis has attracted many clients, such as American Axle & Manufacturing, Bticino, General Electric (in diverse corporate aspects), Geoban, ITW Poly Mex, Kostal, Kromberg & Schubert, AM DL MRO JV (a major joint venture by Delta and Aeroméxico engaged in checking, maintaining, and repairing aircraft), Makino, Man Truck & Bus, Produban Servicios Informáticos, Rijk Zwaan Promex, Schaeffler, Single Source Technologies, and Trinidad Drilling.

Gabriel Orlando Pizá Avilés is a renowned labor law litigator. His skillful handling of complex individual employment lawsuits, which give employers a considerable cause for concern, is highly regarded in business circles. During his stay in the Firm, he formed a team that solved many labor problems faced by clients of the Firm. In June 2010 he decided to go solo as an independent lawyer.

The December 2010 partners' meeting made Juan Carlos Serra Campillo partner effective January 2011. He is one of the most important partners in the twenty first century. He is knowledgeable about the business community and has expanded the Firm's horizons by handling cases in fields that decades before were unheard of in Mexico, such as the power and port infrastructure sectors. His vision and work capacity have made him the mainstay of the corporate area.

He joined the Firm as an intern in January 1996 and worked with Daniel del Río and Gerardo Nieto. In October 1998 he earned his law degree and in 2002 (as a Fulbright fellow) he earned his master's degree from Georgetown University. While he was an associate he participated in many large-scale transactions, such as the sale of different businesses of Grupo Kuo (formerly Grupo Desc), including Resistol and Fester; the development of the Peñasquito mining complex for Goldcorp; the due diligences of Banco Unión and Banca Cremi, when the Firm was retained by the *Instituto para la Protección al Ahorro Bancario (IPAB)* [Bank Savings Protection Institute], and the acquisitions of Fertinal, Hylsamex and Minera Autlán.

His performance as a partner has been impressive. He assisted Kia Corporation in its bid to enter the Mexican market. His work involved meeting

many requirements of Kia Corporation's South Korea head office up to the startup date of the company's plant in Pesquería, Nuevo León. With his work team, he directed the negotiations and secured all the necessary permits for the startup Kia's Mexican affiliate. Likewise, he was the head legal counsel for the development of the container terminals in Altamira, Lázaro Cárdenas, Puerto Chiapas, Progreso, and Manzanillo. He participated in the purchase of other terminals in connection with the last port. He coordinated the legal work to import and distribute gasoline for ExxonMobil and for the latter to set up gas stations throughout the Republic. He participated in the execution of many oil surveying and production contracts for ExxonMobil, Statoil and ONGC Videsh; in the unsuccessful project to store underground natural gas for Snam; in setting up Coca-Cola quality testing and control laboratories throughout Latin America, and in the due diligences of the Walmart stores due to the investigations undertaken against it.

Juan Carlos also participated in the development of big hotel projects in Mexico, such as the Rosewood Hotel in San Miguel de Allende, Mandarin Oriental, Meliá Cabo Real, Royalton, and Planet Hollywood, as well as in the construction and development of industrial plants for Grupo Gondi, Niagara Bottling, Pirelli, Saint-Gobain, SCA and Timken. Finally, he represented architect Norman Foster in the contract for the design and supervision of the construction work of the Texcoco airport project.

The many clients that Juan Carlos has attracted include APM, Carters, Clover Technologies, First Solar, Gran Solar, Lukoil, and Statoil.

The qualities and youth of all these partners provide new first-class blood to the Firm: the average age is the lowest in the Firm's history. This assures the Firm's continuity and permanence in the Mexican forum and allows us to glimpse the Firm's future with optimism.

Partners' New Year's Eve lunch in Mexico City, 2003. © BASHAM, RINGE Y CORREA, S.C.



*Being a Basham, Ringe y Correa partner is like being a Real Madrid soccer team player.*

Jorge A. García de Presno Arizpe

The decade was characterized by contrasts: the world experienced a strong growth in the first half of the decade and then uncertainty and fear in the second half, due to wars, natural disasters and new viruses, plus never-before-seen problems such as refugees desperately seeking shelter in Europe and the United States, and populist regimes in several countries, which caused economic stagnation whose end cannot be foreseen at this point.

Wars raged in Nigeria, Syria, Southern Sudan, and Yemen; typhoon Haiyan made landfall in the Philippines, where millions lost their homes and over eight thousand perished; the hurricane Matthew mercilessly ravaged Haiti and its population, and record-setting fires devastated different regions, mainly California and Australia, a critical effect of climate change. 2015 marked the beginning of the enormous immigration crisis in the Mediterranean and in 2019 in Mexico, where tens of thousands of Central Americans (and many Mexicans) crossed the Mexican territory to reach and enter the United States. Two new viruses preyed on humans: in 2012, the MERS-CoV (Middle East Respiratory Syndrome) virus and in late 2019, the SARS CoV 2 or Covid-19 virus, whose effects are still unknown, caused slightly over four and a half million casualties (as of the date on which this book was finished).

In 2012, after two Partido Acción Nacional administrations, Mexicans decided to give the Partido Revolucionario Institucional a new chance and elected Enrique Peña Nieto. A great disappointment permeated Peña Nieto's administration, as corruption increased exponentially among public servants; in fact, President Peña Nieto unblushingly declared corruption a cultural trait of Mexican society.



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This state-of-the-art building in Bosques de las Lomas is the Firm's current headquarters, Mexico City, 2020. © BASHAM, RINGE Y CORREA, S.C.

Covid 19 vaccination centers located throughout Mexico City. PHOTOGRAPHY: MEXICO CITY GOVERNMENT. © CUARTOSCURO



President Enrique Peña Nieto and President-elect Andrés Manuel López Obrador, at a press conference during the formal start of the government transition process, National Palace, Mexico City, August 20, 2018.

PHOTOGRAPHY: MISAEEL VALTIERRA. © CUARTOSCURO

In February 2013, because of the departure of the two labor law partners, the Firm took a historic step that proved to be enormously beneficial, namely, inviting Jorge Antonio García de Presno Arizpe, one of the best labor lawyers in Mexico, well known and well regarded in Mexican and international forums, to join the Firm as partner. This guaranteed the continuity of the labor law practice and significantly strengthened the labor law area.

Jorge is the son of Jorge García de Presno Larrañaga, the noted corporate labor lawyer. Jorge's father and his partners, Genaro García Amieva, Jesús Cantú Esparza, Fernando Diez Cano and Germán Rizo Álvarez, mentored him. Jorge has handled many major collective bargaining and individual employment cases, such as the strikes at Dart (Tupperware), Lithoformas, and Unisys. His track record caught the eyes of an international law firm that made him partner; it was at this point that he joined the Firm.

Jorge is a graduate of the school of law of Universidad Iberoamericana and in 1988 he earned a master's degree in Comparative Jurisprudence from The Dickinson School of Law of Penn State University.

As partner of the Firm, his many achievements are diverse and indisputable. Besides putting together an area in constant growth and development, with excellent consultancy and litigation lawyers that work all over the country, Jorge has handled many important cases, which generated rulings by the Federal Judicial Branch (PJF). On behalf of Bank of America Merrill Lynch, he prevailed in an amparo that set a precedent applicable to expatriates, as it established that the legislation under which the work relationship was formalized should govern and not Mexican legislation, even if the worker provided services in Mexico. On behalf of Grupo México, which was facing a strike by the miners' union, he caused the Federal Judicial Branch to rule that the struck employer, and not only the striking workers' union can file an action to determine who triggered and therefore is liable for the labor conflict that led to the strike. Jorge also handled labor law and trade union issues in connection with the arrival of Kia in Mexico; an extremely complicated strike affecting Cisco in Guadalajara; the labor law aspects of the opening of over four hundred British Petroleum gas

stations in Mexico; and several high-profile individual employment lawsuits filed against Bank of America Merrill Lynch, Colgate, Krauss Maffei and Scania, among others.

Besides being a member of the Executive Committee of the Firm on several occasions, Jorge has been an outstanding member of several Mexican and international organizations, such as the Inter-American Bar Association (IABA), which he chaired (he was the fourth Mexican national who occupied such distinguished position, after Licio Lagos, José Luis Siqueiros, and Carlos Sánchez Mejorada). He has been on various occasions a member of the managing board of Barra Mexicana, Colegio de Abogados (BMA), and coordinated its Labor Law and Social Security Commission [*Comisión de Derecho del Trabajo y Seguridad Social*] (primus inter pares). He was a member of the Labor Law Committee of the international alliance of independent law firms, Lex Mundi; and a board member of Ius Laboris, an international alliance of labor law firms. He has played relevant roles



WIPO-IMPI summer course students, 2012.  
© BASHAM, RINGE Y CORREA, S.C.

in the labor law committees of the American Bar Association (ABA), the International Bar Association (IBA) and the IABA.

Jorge has attracted numerous clients, including Aqualina, Bank of America Merrill Lynch, Barclays Bank, British Petroleum, Deutsche Bank, GKN Driveline, Grupo Mexicano de Seguros, Grupo México, JP Morgan, Krauss Maffei, Nacional Financiera, Scania, TI Automotive Systems, WalMart (in labor law matters), and Young & Rubicam.

The Firm celebrated its 100th anniversary in November 2012, with a grand gala in the beautiful *Palacio de Bellas Artes* [Palace of Fine Arts] (located just across the building where the Firm was headquartered for several decades) and almost two thousand guests. The Firm invited Felipe Calderón Hinojosa, who at the time was President of Mexico, and his wife, Margarita Zavala, who did not attend due to workload. The President sent the Firm a letter to congratulate it for this occasion and appointed the legal counsel to the President's office to represent him. Fernando de la Mora, a



Partners at the dedication of the regional office in Querétaro, August 30, 2012.  
© BASHAM, RINGE Y CORREA, S.C.

renowned tenor, charmed the guests with several songs. For the first time in decades, several generations of retired partners got together and confirmed that they were as close as ever.

All Firm areas grew steadily, and although the Firm had always handled family law issues, it expanded the civil and commercial law area to further boost its family law practice.

The foreign trade area significantly grew in this decade, and handled several relevant cases, including the following:

- a) A joint venture was authorized for the first time in the automotive sector for Toyota and Mazda to join forces to make vehicles. The Firm had to advocate the addition of several provisions to the General Foreign Trade Rules [*Reglas Generales de Comercio Exterior*] and to secure the confirmation of favorable rulings from the authorities, all of which made more efficient the production of vehicles for the export market. Import quota licenses were filed and secured as applicable (bilateral, domestic purchases, and investment), and thus the importation of general import duty exempt vehicles was allowed under the [*Decreto Automotriz*] Automotive Industry Executive Order and its Rules.

The area took part in the implementation of one of the largest (close to one billion dollars) investment projects of recent years in the automotive industry and handled the required steps for the proper operation of a new Toyota vehicle manufacturing plant in Apaseo el Grande, Guanajuato. This is Toyota's most recent state-of-the-art plant in the world and, with Toyota's Baja California plant, produces the Tacoma pick-up truck for the North American market.

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DESPACHO DE ABOGADOS BASHAM, RINGE Y CORREA

## Celebran 100 años de ofrecer servicios legales en México

Basham, Ringe y Correa, S.C., festeja su primer centenario de prestar servicios legales integrales en México, un hecho sin precedentes en el medio jurídico mexicano



Fernando de la Mora.



Carlos Velázquez de León.

La firma de abogados Basham, Ringe y Correa, S.C., celebró los primeros 100 años de prestar servicios legales integrales de manera ininterrumpida en México.

Basham ha evolucionado de acuerdo con las necesidades de sus clientes, hasta llegar hoy en día a contar con 37 áreas de especialización jurídica y convertirse en un referente a nivel nacional e internacional.

Son realmente pocos despachos en México los que incorporan una operación de un siglo con esa amplia gama de servicios jurídicos, misma que se ha renovado y actualizado de manera continua, atravesando diferentes retos a lo largo de su historia para brindar siempre servicios de excelencia siguiendo los más altos valores éticos.

La única firma corporativa de abogados institucional en México con 100 años de labor continua, afronta con ilusión, energía e innovación el comienzo de su segundo siglo de existencia.

Una magna celebración en el corazón histórico de la Ciudad de México, en el Palacio de Bellas Artes, reunió a colegas, jueces, magistrados, funcionarios públicos, miembros del ámbito legal, empresarios y directores de empresas nacionales e internacionales, así como autoridades que disfrutaron de un concierto del tenor mexicano de fama mundial, el maestro Fernando de la Mora.

Gracias a un equipo de alrededor de 450 colaboradores en el país, integra su operación a través de tres oficinas (Ciudad de México, Querétaro y Monterrey) ubicadas estratégicamente para atender las necesidades de sus respectivos clientes.

Al talento con el que cuenta el despacho se suma la preferencia de una extensa cartera de clientes mexicanos e internacionales, muchos de ellos ubicados en la lista "Fortune 500", que con la asesoría jurídica de Basham han generado inversión en el país, coadyuvando a su crecimiento y desarrollo.



Martín Michaus y Juan José López de Silanes.



Miguel Azeiteiro y Gil Zenteno.



Equipo Basham, Ringe y Correa, S.C.



Luis Luján, Jorge de Presso, Daniel del Río y Gerardo Nieto.



Socios y asociados de Basham con sus invitados.



Alejandro Barrera, Antonio Mañón, Mario Barrera y Francisco Matos.



Emanuel Perra, Martina Sánchez, Ingrid Obregón, Irma Morales, Luis Ortiz Hidalgo y Doris Sierra.

La ética, el compromiso y la responsabilidad como principios rectores de sus actividades, son los elementos básicos que han permitido a Basham llegar a este centenario.

Basham es reconocido por diversas instituciones internacionales como Chambers & Partners Global y Chambers & Partners Latinoamérica y Who's Who Legal, entre otras. Además, es la única firma legal representante en México de las prestigiosas organizaciones internacionales: Lex Mundi, IUS Laboris, World Services Group, International Boutique of Law Firms, Club de Abogados and Fraudnet.

Con un equipo de alrededor de 450 colaboradores en el país, Basham es una de las firmas de servicios legales integrales más reconocidas a nivel nacional e internacional



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Clientes, amigos e invitados fueron testigos de este magno evento.



Coctel en el lobby del Palacio de Bellas Artes.



**MENSAJE DEL PRESIDENTE DE LOS ESTADOS UNIDOS MEXICANOS  
100 ANIVERSARIO DE BASHAM, RINGE Y CORREA, S.C.**

Con motivo del primer Centenario de la firma Basham, Ringe y Correa, S.C., me es particularmente grato felicitar a cada uno de sus integrantes por estos cien años de trabajo en los que ha quedado demostrada la excelencia, el prestigio y la valía de la firma.

Como es de todos sabido, en 1912 Harvey A. Basham funda en la ciudad de México el despacho que llevaría su nombre; se uniría en 1923 el diplomático estadounidense Henry Ralph Ringe y en 1938 el licenciado Antonio Correa Martínez. Ellos fueron los forjadores de esta gran historia que a cien años nos convoca para rendirle un merecido reconocimiento.

El despacho supo entender el papel que jugaría el avance de la modernidad y la globalización de las relaciones sociales, económicas y jurídicas, por lo que desde sus inicios, estableció oficinas de representación en los Estados Unidos en las que supo dar atención a sus clientes con un enfoque jurídico internacional.

Estoy convencido que el fin de la justicia y del bien común son los fines propios del Derecho y del Estado mismo. Y en el avance del Estado Mexicano ha estado presente Basham, Ringe y Correa, aportando siempre soluciones y propuestas que han resultado en importantes beneficios para el país.

Igualmente, participa desde hace varios años como miembro activo de las agrupaciones mundiales más relevantes en el ámbito jurídico, poniendo en alto el nombre de México debido a la gran calidad de trabajo de sus abogados.

De cara al futuro, estoy convencido que Basham, Ringe y Correa, continuará con el paso determinado y firme que le ha llevado hoy a conseguir destacadas aportaciones a la sociedad, pues es honrando su historia de excelencia y de servicio, como habrán de continuar siendo uno de los más reputados despachos jurídicos de México.

Enhorabuena, y que sean cien años más de éxitos e importantes logros los que aguarde su camino. Muchas felicidades a todos ustedes.

**FELIPE CALDERÓN HINOJOSA**

Octubre de 2012

- b) The area handled all legal aspects of the exploration and exploitation processes of the Peñasquito mine, a big gold, silver, lead, and zinc producer, which called for an investment of 1.7 billion dollars.
- c) The area advised Faurecia in connection with all kinds of tax- and customs-related issues, including important audits. The area proved that Faurecia had complied with its obligations, helped Faurecia to secure the IVA-IEPS certification and, considering the changes that were made in the last decade to the export promotion programs, applied for and secured a certificate that gave Faurecia a credit for all VAT payable by it.
- d) The Area handled several cases for Huawei, outstanding among which is the tariff classification of high technology telecommunications equipment (storage cloud plus 5G cellular telephony), and, after a complex process, obtained Huawei's Authorized Economic Operator (OEA) certification as a reliable importer for the governments of Mexico and other countries, including the United States of America.  
The Area also secured the OEA certification for Mattel, including all its renewals.
- e) The Area assisted Ericsson in developing operating structures to streamline the manufacture of components by domestic vendors and export process of end products.
- f) The Tax Administration Service (SAT) ordered an inspection of the equipment that Dragamex had temporarily imported in 2004 under

Meeting with clients in Querétaro, August 30, 2012. © BASHAM, RINGE Y CORREA, S.C.





Lawyers in the regional office in Querétaro, September 2012. © BASHAM, RINGE Y CORREA, S.C.

the *Ley Aduanera* [Customs Law]. Dragamex had sent back the equipment in 2007 and, as provided in the Federal Tax Code, had retained the documentation for the legal five-year term, i.e., until 2012. Rather than checking the Electronic Customs System [*Sistema Electrónico Aduanero*] to verify fulfillment of Dragamex's obligations regarding temporary imports, the SAT demanded in 2016 that Dragamex prove fulfillment of such obligation with documents; by then, Dragamex no longer could locate and identify the requested documents. The SAT determined that Dragamex should pay several million pesos, as the boats (dredges) were awfully expensive. The Firm devised a defense strategy that allowed Dragamex to produce documents that proved that it had returned all the equipment that should have been returned.

- g) Due to frauds committed against Ivoclar Vivadent, irregular transactions were detected, notwithstanding that Ivoclar Vivadent had provided funds and means to comply with its tax and regulatory obligations, the employees charged with these duties did not comply with them and defrauded the company by tampering with the accounting records. The irregularities were eventually detected, and the area and Alejandro Catalá designed a strategy to comply with Ivoclar Vivadent's tax payment obligations, self-correct its obligations, and reduce the taxes payable by it by over 80%.
- h) The Area assisted IMM Research in an audit involving the tariff classification of food supplements, and secured rulings confirming that the tariff classification that IMM Research reported was correct.

- i) The Area has handled several major cases for VF Outdoor, such as: i) successfully fighting the arbitrary deletion of VF Outdoor from the importers register, ii) a customs audit to check the proper control of the company's operations and compliance activities, which also was settled in favor of VF Outdoor, and iii) filing a refund request with the SAT and securing the refund in a very short time, after proving that VF Outdoor had not been legally bound to pay it.
- j) On Cartier's behalf, the foreign trade area and Alejandro Catalá handled an investigation on jewelry that was used for an exhibition. Due to the Federal Attorney General's ignorance of the simplified procedures negotiated by Mexico for temporary imports, a large lot of exhibition jewelry that was legally introduced in Mexico was seized. Based on the Firm's action, the SAT issued a ruling confirming the legal importation, stay and possession of the jewels, and they were released.
- k) On Sanfer's behalf, the foreign trade area successfully defended the importation of chemical products, by following up major tariff classification disputes to adjudication.
- l) The foreign trade area provided advice to GAP, Turkish Airlines and Christian Louboutin Retail on the startup of their operations in Mexico.
- m) The foreign trade area helped Sumitomo de México and American Pad & Paper to identify transactions that called for self-correction.

Basham Seminar 2013.  
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Law enforcement-related event in Querétaro, 2015. © BASHAM, RINGE Y CORREA, S.C.

- n) The foreign trade area helped Bticino to develop a regularization strategy and secured a favorable ruling in connection with a major customs law controversy.
- o) The area helped Industrial Envasadora de Lácteos y Derivados to start up its plant in Southern Mexico.
- p) The area helped Elanco Salud Animal and Eli Lilly to secure confirmation of rulings on the tariff classification of several products, as well as the method they should follow in connection with VAT.
- q) The area has provided legal advice to Federal Express regarding bonded warehouse-related obligations and litigation.
- r) On behalf of Greyhound Lines, the area processed the permits for Mexican drivers to bring foreign-made passenger buses to Mexico.
- s) The area successfully defended JEFO and Novus International in several proceedings involving chemical product imports and major tariff classification controversies, undue payments, and tax liabilities.
- t) At the request of the SAT, the area helped MSA Safety to create its legal strategy to regularize imports.
- v) The area successfully defended Pinto Brasil in a foreign trade action resulting from the cancelation of the IMMEX program and, with no

major objections, caused the SAT to drop the charges and cancel the interim attachment.

- w) The area has counseled Coca-Cola on imports and new lines of business, including its registration on the importers register, securing authorizations and permits, and laboratory reports and certifications under Official Mexican Standards (NOM's).

The criminal area:

- a) Successfully defended a leading oil services company in an investigation of an oil well explosion in Tabasco and the alleged contingency to pay millions of dollars in damages.
- b) Handled a serious trade union conflict that led to a faceoff in which two people were killed and tens of people injured; this caused the government of the State of Veracruz to hold the affected company and its officers groundlessly liable. In this same case, the criminal area filed legal action against persons claiming to be union leaders representing most of the company's workers.
- c) Secured an arrest warrant as well as Interpol's help to detain the former chief executive officer of the Mexican subsidiary of a world top tire manufacturing company.
- d) Handled several cases involving a new type of cyberfraud that has spread to an unimaginable extent worldwide, especially in Mexico. The cyber-criminal or criminals surreptitiously access mail generated from computers assigned to officers of companies located in several countries; when they detect that such officers discuss payments among subsidiaries or from subsidiaries to head offices, they use electronic signatures and other images that make the fraud victim believe that he is really communicating with his colleague abroad. After deceiving the officer who will order the transfer, such officer receives deposit information



Monterrey regional office's 15<sup>th</sup> anniversary celebration in 2015. © BASHAM, RINGE Y CORREA, S.C.

to a bank account in Mexico; once the deposit is made, the funds are immediately withdrawn. To give an idea of the size of this new form of fraud, a single case caused damage in excess of 2.5 million dollars.

- e) Caused an officer of a foreign airline doing business in Mexico to be sentenced to eight years in prison for fraudulent management.
- f) Working jointly with the Civil area, favorably settled, a years-old problem between siblings, in which several law firms had previously participated, involving the shares and assets of one of Mexico's largest music publishing houses.
- g) Handled several corruption cases affecting companies, where company officers did not abide by the crime-prevention policies under the applicable laws, and on several occasions collaborated with U.S. law firms, which in turn filed legal action before the U.S. Department of Justice.

Ricardo Hernández had made up his mind not to wait until reaching his age of retirement and left the Firm in December 2012, and upon reaching their age of retirement Gerardo Hernández and Luis Ortiz followed suit in August 2014 and July 2015, respectively. These departures and the Firm's sustained growth led to Sergio Neftalí Barajas Pérez, Víctor Manuel Barajas Barrera, and Gilberto Miguel Valle Zulbarán being made partners effective August 2014 and Claudio Ulloa Escobedo being made partner effective July 2015.

Sergio Neftalí Barajas Pérez is a great trade and customs lawyer in Mexico. He earned his law degree from the Universidad Nacional Autónoma de México in 1995 and joined the Firm in January 1996. He later enrolled at Universidad Panamericana for Tax Law, Commercial Law, Administrative Law, Amparo Law, and Intellectual Property Law specialization courses.

Sergio's experience in the foreign trade area stems from his passion for this subject and from his stint at the *Secretaría de Comercio y Fomento Industrial* [Ministry of Trade and Industrial Promotion], where he participated in international trade negotiations, especially in the drafting of Agreements on Trade-Related Investment Measures (TRIMS), and in the handling and interpreting reserve revisions under the North American Free Trade Agreement (NAFTA).

As an associate, Sergio engaged in foreign trade and tax consultancy from 1996 to 2008 with Alejandro Barrera; tax and foreign trade litigation with Luis Ortiz, Rogelio Cruz Vernet, Jaime Saldaña Orozco and Humberto Rodríguez Martínez; foreign trade-related corporate law consultancy with Javier Becerra, Guillermo Aguilar, Daniel del Río, and Luis Luján; and foreign trade-related intellectual property consultancy with Martín Michaus and José Hinojosa.

In September 2008, in a decision that Sergio has termed difficult to make but that would help him to have a deeper understanding of foreign trade from all angles, including public service, he joined the special lawyers team created by the head of the *Servicio de Administración Tributaria* [Tax Administration Service] (SAT), as chief administrator of the *Normatividad de Comercio Exterior y Aduanal* [Foreign Trade and Customs Regulation Unit] of the *Administración General Jurídica* [General Legal Administration]. During his four-year stint, Sergio generated important benefits for



the country in the customs and foreign trade regulatory field and brought to fruition many projects that now benefit taxpayers when fulfilling their tax-related obligations. He was offered a top-ranking job to remain in the public service, but Sergio decided to rejoin the Firm in February 2013, as he was sure that his goal was to become a partner.

Sergio has been an outstanding member of several domestic and international organizations, and has actively participated in BMA's *Comisión de Comercio Exterior* [Foreign Trade Commission]; he has been the vice chair and chair of *Instituto Mexicano de Ejecutivos en Comercio Exterior A.C. (IMECE)*, and is currently a life member of its Consultative Board; he is an active member of the *Consejo Empresarial Mexicano de Comercio Exterior, Inversión y Tecnología, A.C. (COMCE)*, and a key participant in meetings of the *Comité de Logística y Aduanas* [Logistics and Customs Committee] and of the *International Customs Law Academy (ICLA)*, of which he is a candidate for permanent membership. He also participates actively in the *Comisión de Trabajo de Aduanas y Facilitación Comercial* [Customs and Commercial Facilitation Work Commission] of the *International Chamber of Commerce México*. Under Sergio's direction, *Consultor en Aduanas y Comercio Exterior* [Customs and Foreign Trade Consultant], the first textbook for Foreign Trade Certification [*Diplomado de Comercio Exterior*] at IMECE was published.

Due to Sergio's professional practice, the Federal Judicial Branch has issued the following precedents: *The customs value of the goods must include the royalties to compute the taxable base of the General Import Duty, provided that proof is delivered that the importer undertook to pay the royalties in order to close the purchase; and Article 2 of the applicable federal tax law contravenes the*

Who's Who Legal Award Reception, 2016.  
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*proportional tax principle by including in the taxable base the general import duty rate and disregarding the actually paid duty under preferential tariffs, and thus the amparo should be granted when new automobiles are involved*

Sergio has attracted clients such as AAAC SIS Planet, Aceros y Overrollings, Agility Logistics, AIG Europe, American Pad & Paper, Aposave, Autopartes Walker, Benteler, Boskalis Marine, Bunge North America, Callaway Golf, Castmet, Cogent, Comercializadora México-Americana, Corporativo Aduanal Especializado, Danfoss Industries, Diblo, Eaton, Etairos, Freight Dispatch, Gaisa, Galvatubing, Gonvauto, Grimann, Heliboss, Huawei, Huntington Foam, IBL S Global, Inmermek, Industrial Envasadora de Lácteos y Derivados, ITP, Jefe, Kroma, LifeScan, LSC Pendaflex, Martinrea, MSA, Metalsa, Nomura, Nouryon, Pacnav, Parker Hannifin, Pelstar, Philip Morris, Pinto Brasil, Poliresin, Printful, Ritek, Sitasa, Toyota, Valdan Group, and Vizio.



Monterrey regional office members celebrating Christmas 2016. © BASHAM, RINGE Y CORREA, S.C.

The following phrases show Sergio's character and professionalism: The deadlines to file motions in lawsuits are non-extendible; *if you cannot monitor and control a case, you are not entitled to be a litigator; The solution to all legal cases, even the toughest ones, lies in the law and in your experience; the difference between being an intern and a lawyer lies in how much time you spend studying, the practical cases you handle and the client's faith in you; The best lawyers not only must know the law but must fully analyze each case and detect the detail or details that will lead him to succeed in the courtroom; and In law... there are no silly questions... provided that, before posing the question, you exhaust all means to find the answer yourself.*

Víctor Manuel Barajas Barrera is an outstanding and experienced tax lawyer and has successfully developed a new family wealth management and family business relations practice; his clients include several wealthy families listed in *Forbes*. Víctor will go far in this new challenge, considering the significant growth he has brought to this activity.

Víctor joined the Firm in August 2004 as an associate. From the beginning, and due to his professional skills, he participated in major projects, such as the drafting and approval, by the legislative branch, of the bill of



Regional Conference, LexMundi Latin American, Mexico City, 2017. © BASHAM, RINGE Y CORREA, S.C.

the *Ley de Ayuda Alimentaria para los Trabajadores* [Workers' Food Aid Law] (the LAAT), in effect since January 2011. He played a leading role from the moment that the bill was conceived to its publication, always assisting the main issuers of grocery coupons in our country. The Workers' Food Aid Law laid the groundwork for the tax, social and labor system to grant fringe benefits to workers with the use of grocery and restaurant coupons.

The following are other relevant cases in which Víctor has participated, first as a tax area associate and afterward as a partner:

- a) Casa Cuervo's sale of the Don Julio brand tequila to Diageo in 2014 and Casa Cuervo's purchase of the Old Bushmills Distillery, maker of Bushmills brand whiskey.
- b) The request that one of the largest multinational companies in the world made to the IRS and the SAT to apply Mutual Agreement Procedures in relation with transfer pricing adjustments for taxes paid in the United States and Mexico. Mexico was one of the few countries that prevailed in a multimillion-dollar tax dispute in the United States.
- c) An audit of one of the major issuers of grocery coupons doing business in Mexico, as a result of which the SAT refused the deduction of the whole par value of the grocery coupons issued by it, which would have implied a tax liability of thousands of millions of pesos. The tax area not only prevented the determination of a tax liability payable by the company but caused the tax authorities to refund a balance to the company.
- d) An audit of a major multinational beverage company when the tax authorities tried to refuse the deduction of several items which, all together, accounted for thousands of millions of pesos. At the end of a proceeding that lasted for over two years, the SAT and the company signed an agreement before the *Procuraduría de la Defensa al Contribuyente* [Taxpayers Protection Agency] (PRODECON), the Firm proved the propriety of all deductions made by the company, plus minor differences arising from formal requirements which entailed minor corrections.

Víctor has handled many other major cases for leading companies in Mexico, such as Accor, American Bar Association (ABA), Bank Julius Bär, Banco UBS, British Petroleum, The Coca-Cola Company, ConAgra Foods, Costco Wholesale, Credit Suisse, Ford, Glaxosmithkline, Goodyear, Herdez, Jumex, La Costeña, Lindt, Louis Vuitton Moët Hennessy (LVMH), McKinsey & Co., Michelin, NBA, Pfizer, Richemont (Cartier, Montblanc), Scotiabank, Sony Music, Swatch, TV Azteca, Univisión, and Volkswagen, among many others.

Víctor is primarily a tax consultant, but he has also helped in tax disputes and caused the authorities to issue important precedents some of which have been mentioned elsewhere in this book. In one of such disputes, the SAT refused to grant Glaxosmithkline a tax credit for the income tax that Glaxosmithkline paid abroad, on the grounds that the tax credit exceeded the limit permitted by the Mexican Income Tax Law. During the proceeding, the tax area proved that Glaxosmithkline's interpretation of the law should prevail and that the tax credit was proper. As a result of the outcome, Article 5 of the Income Tax Law was amended.

Víctor and other partners drafted the associate career plan, in effect since 2020, a guidebook that shows young lawyers the path to follow to succeed in the Firm. Víctor has been so enthusiastic about this subject, that he is focused on detecting and promoting outstanding associates.

Gilberto Miguel Valle Zulbarán is an extraordinary criminal lawyer focused on fighting corporate corruption and on handling agrarian law cases. The following anecdote confirms this: when a partners' meeting decided that he should live in Querétaro to head the criminal law area in the Bajío region, a client unacquainted with Gilberto's skills wondered whether the Firm's decision that the client's case, a fraud hitherto handled by other lawyers, be entrusted to Gilberto was the right one, the Firm replied: *Don't worry, Gilberto is one of the best criminal lawyers in the country.* The result was that Gilberto caused the two fraudsters to be convicted.

Gilberto joined the Firm in January 1997 as an intern, to work with Héctor Calatayud and Francisco Tiburcio. He graduated from Universidad Panamericana with honors and the best grade point average of his generation. He is the first partner to hold three master's degrees: i) one in Criminal Sciences, with honors, from Universidad Anáhuac, Mexico City Campus; ii) one in Criminal Law and Criminal Sciences from Universidad de Barcelona and Universidad Pompeu Fabra in Spain, and iii) one in Adversarial System of Criminal Justice by the Centro de Estudios en Actualización en Derecho, A.C., in Mexico. Currently Gilberto is working to earn his fourth master's degree in Latin American Laws on Compliance at Universidad de Navarra, Spain.

Gilberto's participation in some of the cases mentioned before was outstanding; these are some other cases in which his professional input was critical:

- a) A Canadian company started working a mine in Madera, Chihuahua, and faced opposition by some townspeople and alleged social organizations that funded a blockade of the facilities. The company negotiated with the ejido owners and authorities and reached an agreement with them which included a payment to the ejido owners, to proceed with its project, that the ejido authorities and the municipal, state, and federal governments accepted. After the company complied with all its commitments, a group of ejido owners and townspeople opposed the



project, claiming that they had not been paid enough, that they had to be paid extra compensation, and that a road had to be built to benefit a small group of persons and not the community.

Regional office opening in Leon, Guanajuato, 2018. © BASHAM, RINGE Y CORREA, S.C.

Sit-ins followed provoking a crisis, not only due to the harm caused to hundreds of people who for several days had no water and food, but also because some company suppliers were prevented from entering the town, and this caused losses to the company. The legal strategy included criminal and agrarian law actions, which led to negotiations that the State of Chihuahua Agrarian Court approved; moreover, social enterprises were formed for the ejido farmers and townspeople, which allowed the company's project to go on and to have a positive economic and social impact in the region.

- b) The defense of Mr. Joaquín Audi Porcal, a prominent businessman of the State of Morelos who owned a fodder production and transportation company. When the Firm accepted his case, Mr. Audi Porcal had been in jail for over eleven years; the Firm analyzed the case, decided to handle it considering that Mr. Audi Porcal was innocent and had been the victim of serious procedural irregularities by the Morelos authorities who fabricated evidence. Notwithstanding the legal limitations to challenge the evidence produced against the client, Gilberto made a thorough review of the case file, including the place where the alleged crime had been committed, filed a well-founded amparo that caused the federal courts to acquit and order the release of Mr. Audi Porcal, after almost thirteen years in jail. Unfortunately, justice served don Joaquín late, as he passed on a few years afterward, always thankful to the Firm for allowing him to spend his last days with dignity and for clearing his name.
- c) On behalf of a development company that owned several industrial parks in the State of Guanajuato, Gilberto filed criminal actions against a shareholder of said company that had tried to defraud the company and had him convicted. This was a big case, as land lots worth several hundred million pesos were returned to the client.

Gilberto has handled corporate security issues for many companies, including cases involving the theft of trade secrets, inventory theft worth several

million dollars, and actions to avoid corporate criminal liability. He forged a strategic alliance in the field of compliance and fighting corruption with Becompliance, a renowned company formed by some of the major compliance and anticorruption lawyers in Spain. The Firm has thus strengthened relations between Becompliance and the Firm and shared experiences in the practice of the profession in both countries.

Gilberto has attracted clients such as Agco, Arcelormittal Tailored Blanks and Hirotec.

Claudio Ulloa Escobedo is the first partner who is both a brilliant electrical and mechanical engineer and a lawyer. He is an Universidad Iberoamericana, Mexico City Campus, graduate, and he holds a master's degree in Automotive Engineering from Coventry University in England, from which he graduated with honors.

Claudio joined the Firm in July 2001 to work in the patents area when he was an engineering school senior; and earned his degree in the summer of 2003. After spending almost two years in the United Kingdom, sponsored and supported by the Firm, he decided to study law. He graduated from law school in December 2010. Since joining the Firm, he worked closely with Martha Castilla y Molina, an engineer, Ruth González Solano, a chemist, and Salvador Tafolla Márquez, a biologist, who at the time were members of the patents area technical team and who shared with him the expertise they gained after their long careers in the Firm. José Hinojosa and Martín Michaus were his law mentors.

From the beginning, Claudio stood out for his great work capacity; while still an associate, he successfully handled several cases involving patent and industrial design infringements for many clients, including Canon, Coca-Cola and Mag-Lite, the maker of the renowned handheld flashlights.

His work in the Firm and his wise decision to study Law made him a far-sighted member of the patents area. Like his European and U.S. peers, he handles clients' cases with a two-fold approach: a technical and scientific perspective as an engineer, and a legal perspective as a lawyer. This is not a common trait of lawyers in Mexico, and this and his professional talent earned him the partnership.

Claudio met and exceeded the Firm's expectations; his prestige opened new frontiers for the Firm: Ericsson entrusted him with the registration of its patents in Mexico, largely in connection with the 5G technology, a watershed in the telecommunications technology in the world. Nissan has also entrusted him with filing applications for registration of its self-driving car patents and hybrid car technology patents, a technology which is revolutionizing transportation worldwide.

His work has been such that Sony and Nissan have invited him to Asia on several occasions to lecture on patents in Mexico and new Mexican laws. He has attracted companies such as Google, for the registration of their patents.

Claudio has enthusiastically and for several years developed new technologies which are now used every day at the Firm's four offices. He has headed the Firm's Information Technology Committee and soon will lead a most ambitious project: the Firm's digital transformation. He is an active member of domestic and international associations such as AMPPI, ASIPI, World Services Group, Lex Mundi; presently, he is the chair of the Mexico Chapter of the Licensing Executives Society International, an association engaged in technology licensing and transfer.



Partners' lunch in Mexico City, December 2018.  
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In view of the continued growth of the tax and the industrial and intellectual property areas, the partners' December 2015 meeting made Mario Barrera Vázquez and Jorge Vega Sotelo partners.

Mario Barrera Vázquez, a renowned tax law consultant, was mentored by Alejandro Barrera, Gerardo Nieto, Gil Zenteno and Sergio Barajas. He resigned in September 2017, to pursue a career as an independent lawyer. His tenure as a partner was the shortest in the history of the Firm (twenty months).

Jorge Vega Sotelo passed away on June 17, 2020. He will always be remembered as an exceptional person and lawyer. His untimely passing, at the age of forty-four, four and half years after having been made partner, had a deep impact on us, as he was supportive, friendly, upright, affable, and hard-working.

Jorge joined Basham in September 1998 as an intern, and worked with José Hinojosa, his mentor and friend. Eduardo Correa, Martín Michaus, and Eduardo Kleinberg also helped in his formation. He earned his law degree from Universidad Anáhuac del Sur in 1999 and a master's degree in Industrial Property from George Washington University. He was devoted full time to industrial and intellectual property, was a distinguished member of the Asociación Mexicana para la Protección de la Propiedad Industrial (AMPPI), the Asociación Interamericana de la Propiedad Intelectual (ASIPI) and the International Trademark Association (INTA). Due to his professional education and training, Finnegan, Henderson, Farabow, Garnet & Dunner LLP in Washington, D.C., invited him to join their internship program.

Jorge was ranked by IP Stars 2020, Best Lawyers and WTR1000 as one of the best intellectual property lawyers. His professional practice encompassed intellectual property planning, consultancy, and strategy in Mexico and abroad, plus copyright and patent and trademark issues.

Jorge always claimed that *to be happy, you must do what you want to do and be where you want to be*. The Firm was fortunate to have had him among its staff for twenty-two years. Clients, colleagues, and co-workers witnessed the principles that ruled his professional practice, such as his extraordinary coordination with other Firm areas to defend the clients' interests and to

promote the advancement of women and young talent. He worked with discipline and dedication, and was demanding, but he valued the work and effort of others. In short, he was full of human warmth.

The following is but a brief list of the many friends and clients that sent their condolences for his untimely passing:

*Jorge was an excellent lawyer and a wonderful colleague. I always enjoyed his visits to our office. He will be greatly missed.* Steve Ackerman

*I am so pained to hear of Jorge's passing. He was a dear friend to all of us. I will always be grateful for his professionalism and eagerness to provide guidance with an abundance of enthusiasm. Please express our heartfelt condolences to his wife, family, and all your colleagues and let them know what a meaningful impact he had globally. His enthusiasm and kindness touched so many people and made an impact on so many – that is the meaning of a life well lived...we should all be that lucky, for it is not the quantity of our days, but the quality of our days that truly matter.* Kay Glimmer

*Jorge was a great lawyer and a great guy. He will be sorely missed.*  
Angelo Bufalino

*It has taken us some time to accept the sad news of our dear Jorge's passing. Writing these lines has been very difficult, as memories overwhelm us. We will always remember Jorge for his kindness, affection, and dedication. We are very fortunate to have had him as a friend and to have shared with him good times in our professional practice and personally. We beg God to give you the strength to overcome this unexpected shock.* Urko and Orietta Blanco.

*I am so deeply sorry for Jorge Vega's passing. He was always supportive with his punctual advice. He provided added value when he coordinated IP courses for our clients.* Mónica Sadurni.

His departure leaves us a message for reflection and an example of what lawyer commitment means.

The many clients that Jorge attracted to the Firm include Angelo Bufalino, Georgia Pacific, Grupo Kuo (in industrial and intellectual matters), and Tequila Espiritu del Viento.

Since José Hinojosa retired from the Firm in January 2020, and Daniel del Río was due to retire in March 2022, it was necessary to push for the growth of the industrial and intellectual property and corporate areas, and so at the February 2020 partners' meeting Jesús Manuel Colunga Victoria and Juan Carlos Hernández Campos were made partners effective March 2020. Shortly after taking office, they faced the Covid-19 pandemic that took hold of our lives and led to a long lockdown that is partially still in place. They no doubt will endure and will come out strengthened to face adversity and to consolidate their leadership. Curiously, they have been great friends since college, long before they joined the Firm.

Jesús Manuel Colunga Victoria was trained in the Firm to become an excellent professional. He joined the Firm in March 2003 as an intern, and works since then with Daniel del Río, Juan José López and Juan Carlos Serra. He remembers that in his first day of work, Daniel del Río told him: *Since you joined the Firm, now it is your duty and obligation to learn a lot —and*

*that is what I wish for you: that you learn a lot;* this set the path he followed to become a partner.

Jesús studied law at the Instituto Tecnológico Autónomo de México (ITAM) and earned his law degree in May 2005 with special honors. Daniel del Río was his thesis director and a member of his examination panel. He finished specialized business contract courses at the Barra Mexicana Colegio de Abogados, and earned a master's degree in Corporate Law from The University of Chicago Law School with special emphasis on contracts, international transactions, mergers and acquisitions, financing, and secured transactions.

Jesús has been an outstanding participant in major transactions, such as the acquisition of Comex by PPG Industries (mentioned before in detail). He was one of the lawyers who were in close contact with his colleagues in New York and, while Juan José López handled the day-to-day progress of this complex transaction.

Jesús is an outstanding member of various organizations, such as World Services Group (he was the president of the Regional Council for Latin America) and is a member of its board of directors. He is the deputy secretary and honorary legal counsel of the Lawyers Club of Chicago and has made many wise moves to enhance the corporate area, such as cultivating relations with law firms on the U.S. West coast and strengthening the Firm's hospitality and tourism area.

Among the clients that Jesús has attracted to the Firm, he is especially proud of his first client, Inmobiliaria Lumaro, which he has assisted in several business ventures involving particularly important and complex corporate and real estate transactions.

Juan Carlos Hernández Campos is an outstanding industrial and intellectual property lawyer. Like many of his peers, he built his career in the Firm, which he joined in March 2002 as an intern; his first mentor was Jorge Vega, but José Hinojosa and Martín Michaus shared their expertise and knowledge with him. In fact, Martín Michaus supervised Juan Carlos's professional dissertation and was a member of his examination panel at ITAM, which took place in May 2005.

After earning his master's degree in Intellectual Property from George Washington University, Juan Carlos worked closely with Eduardo Kleinberg and Adolfo Athié. As an associate, Juan Carlos secured the protection of many trademarks of domestic and international clients. In the field of entertainment, he registered the trademarks of successful sagas such as Shrek, Kung Fu Panda, and Madagascar, and trademarks owned by big show business stars such as Mariah Carey and Shakira, to sell their products in Mexico. He also defended trademarks owned by the International Olympics Committee and created the strategy to register international trademarks in Mexico, such as P.F. Chang's and Claro. He worked with Eduardo Kleinberg on the consolidation and registration in Mexico and abroad of the trademarks of América Móvil (Telcel).

Juan Carlos has participated in the defense of the National Football League's intellectual property. He also recovered domain names of the manufacturer of the renowned Sub-Zero refrigerators, which had been deceitfully registered by third parties; he had a close relationship with Casa Lumbré, the head of a group of companies, which he has for years assisted to register the world renowned Montelobos mezcal brand. For the same client, Juan Carlos registered at the Mexican Institute of Industrial Property

(IMPI) and foreign industrial property offices, the trademarks of other products such as Ancho Reyes, a Puebla chili pepper-based liquor, Abasolo, a whisky made of *cacahuazintle* corn, which only grows in our country, and Nixta, a corn-based liquor. Casa Lumbre has been so successful that, in 2019, the company Campari acquired a major stake in the companies that make Montelobos and Ancho Reyes.

Juan Carlos is a member of the Managing Board of the Asociación Mexicana para la Protección de la Propiedad Intelectual (AMPPI), actively worked with the authorities to amend the former Industrial Property Law and its Regulations, helped in drafting some IMPI guidelines, and provided input for the drafting of the new Federal Industrial Protection Law in effect since late 2020.



New Year's Eve party in Mexico City, 2018.  
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Juan Carlos has been a partner for slightly over one year, but he has already attracted clients to the Firm such as Actinver and Sazerac, an alcoholic beverage maker.

María Juana Estrada Ordoñez's career in the Firm has been brilliant; she exemplifies the Firm's commitment to advancing its staff's professional development. Juanita, as she is dearly known by everyone, joined the Firm in July 1985 as a Spanish language secretary to accountants José Enrique Valdivieso Rodríguez, who at the time assisted the partners in financial matters, and Salvador Mancera Massieu, who handled treasury issues. When Salvador Mancera retired, Enrique Valdivieso was appointed controller and Juanita stayed on to help him. She soon learned the intricacies of the Firm's treasury area and other internal matters.

In 1987, Juanita went back to studying English, and in 1994 she enrolled in the distance learning system to earn her junior and high school diplomas. She even devoted her lunchtime to study. In 1997, with the Firm's backing, she enrolled in Universidad Tecnológica de México, where she earned her bachelor's degree in Public Accountancy in 2000. The Firm then appointed her treasurer.

Thanks to her great capacity and integrity, when Julio Alberto Bracho y Ruiz Velázquez resigned as controller, Juanita took over many in-house



Partners retreat event in the Port of Acapulco, 2018. © BASHAM, RINGE Y CORREA, S.C.

activities, including the supervision of the billing and collection areas. She was promoted to assistant controller in February 2012 and to Administration and Finance director in April 2020.

The Firm is proud of Juanita's career. She has been a fundamental element for the proper management of the Firm in the last two decades, besides assisting partners in financial matters. She has enthusiastically analyzed billing and collections information, helped the partners to make decisions, such as how to optimize some administrative processes to the benefit of the Firm and its clients.

The April 2021 partners' meeting made David Eugenio Puente Tostado partner to head the labor, social security, and immigration practice at the Monterrey regional office. Before joining the Firm, David Eugenio, a Monterrey native, had already forged an outstanding professional trajectory.

David is well known in Mexican legal circles as an expert in handling collective bargaining and individual employment agreements. He studied law at the Instituto Tecnológico y de Estudios Superiores de Monterrey, from which he graduated in 2000, earned a master's degree in Labor Law from Universidad Regiomontana, and was awarded a specialist in labor law diploma by Universidad Panamericana. He got his labor law professional experience from major law firms in Mexico, as an associate in one and as a partner for over eleven years in another.

He has chaired the Canada Chamber of Commerce, Nuevo León Chapter, and coordinated the Labor Law Committee of the Instituto Mexicano de Ejecutivos de Finanzas and the Labor Committee of BMA. He is an active member of the American Chamber of Commerce, a professor in the Human Resource Master's Degree Program of the Instituto de Contadores Públicos de Nuevo León and teaches Labor Relations at Universidad de Monterrey. He was a certified expert English-Spanish translator for over seventeen years qualified as such by the Superior Court of Justice of the State of Nuevo León.

David was elected *The National Expert* for his coauthorship of *Corporate Immigration 2018*, an article published on *Getting the Deal Through 2017*, and *Exclusive Contributor* for participating in the drafting of *The Legal 500: Employment Country Comparative Guide*. He has been recognized by many



Japanese community conference, León, Guanajuato, 2019. © BASHAM, RINGE Y CORREA, S.C.

organizations, such as Chambers and Partners Latin America, Legal 500, Who's Who Legal, and Latin Lawyer 250.

Recently, and for the first time in the history of the Firm, a new category of partners was introduced for young lawyers to adapt and prepare to join the Firm as equity partners, with the intention of paving the road to help them face their future responsibilities. Today, there are seven partners in this category:

- a) César Eduardo Castañeda Montiel, an extraordinary intellectual property law litigator, who works closely with Adolfo Athié.
- b) Amílcar García Cortés, a mergers and acquisitions-savvy lawyer in the corporate area.
- c) Álvaro Alberto González Schiaffino, an expert labor law consultant who closely works with Jorge de Presno.
- d) José Massas Farell, an exceptional litigator with ample experience in civil and commercial matters.
- e) Francisco Javier Matus Bravo, a solid tax consultant who complements that specialty with Gerardo Nieto, Alejandro Barrera, and Víctor Barajas.
- f) Jorge Medina Elizondo, a great litigator with over two decades' experience as head of the Monterrey office criminal area.



g) Pedro Said Nader, an outstanding financial lawyer who works with Miguel Ángel Peralta.

Partners retreat event at the Port of Veracruz, 2019. © BASHAM, RINGE Y CORREA, S.C.

Besides Javier Becerra and Héctor Calatayud, whose enormous qualities have already been mentioned elsewhere before, the Firm is fortunate to have the following professionals as counsels (an extremely critical position in the Firm):

- a) Rodolfo Barrera Alvarado, an extraordinary lawyer who handles many administrative law cases and assists all the Firm's areas.
- b) Fernanda Garza Magdaleno, a lawyer specialized in economic competence matters, has made an effective team with Amílcar Peredo.
- c) Manuel Guerra Zamarripa, for many years the director of the National Copyright Institute [*Instituto Nacional del Derecho de Autor*], who joined the Firm to share his expertise in intellectual property-related matters, specifically in the field of copyrights.
- d) Ricardo Lan Arredondo, an experienced corporate lawyer who has contributed his expertise to benefit of the new generations and has attracted a substantial number of new clients.
- e) Mauricio Arturo Peña Palacios, another extraordinary and great litigator, who for over two decades has handled civil and commercial law cases.

Andrés Manuel López Obrador's victory in the 2018 presidential election came as no surprise; López Obrador, however, disappointed those who voted for him expecting a change that would improve the quality and transparency of public service, implement consistent government policies, devise comprehensive development plans, and enhance respect for the rule of law and private investors. Since his inauguration, the country has had zero growth, the creation of new businesses has been stalled, corruption remains embedded in government circles, and there is no respect for the rule of law; on the contrary, the lack of respect for the rule of law has worsened due to, among other factors, the direct award of over 80% of public works contracts. Support for underprivileged classes has turned into clientelism with clear electoral purposes that favor the ruling party. The outlook is grim: the main state-owned companies are technically bankrupt, and major economic problems are expected to occur due to arbitration proceedings to be conducted under international treaties signed by Mexico; in addition, debt service will be difficult in a stagnant economy which has deteriorated from the day that López took office.

We are optimistic about the future. The Firm has overcome many challenges and will overcome the challenges looming on the horizon. With the new generations of interns and associates we feel confident that the Firm's prestige will remain in place as an independent Institution that promotes the advancement of new generations with clear rules to assure that their effort will ensure the Firm's future growth. This will be confirmed, as mentioned in the foreword, when those working at Basham, Ringe y Correa in 2062 celebrate the Firm's 150<sup>th</sup> birthday with their friends and clients. 🐉

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