Spain

Contributing firm
Grau & Angulo



Authors
Sonia Santos and **Jesús Arribas**

Legal framework

National

Distinctive signs are principally governed by the Trademark Act (17/2001), which replaced the former Trademark Act (32/1988) and was complemented by Royal Decree 687/2002. In 2006 the Trademark Act was further amended by Act 19/2006, which implemented the EU IP Enforcement Directive (2004/48/EC).

Civil actions for trademark infringement are comprehensively covered in the Trademark Act, while criminal actions for infringement are defined in Book II, Title 13, Section 11 of the Criminal Code (10/1995), as amended by Act 15/2003 and Act 5/2010.

International

At an international level, the Trademark Act has adapted Spanish law to the general legal framework established within the international community. In particular, the following international treaties have been integrated into Spanish law:

- the Paris Convention for the Protection of Industrial Property;
- the Madrid System for the International Registration of Marks (Madrid Agreement (1891) and Madrid Protocol (1989));
- the Nice Agreement on the International Classification of Goods and Services for the Registration of Marks;
- the Vienna Agreement Establishing an International Classification of the Figurative Elements of Marks;
- the Trademark Law Treaty; and
- the Agreement on Trade-Related Aspects of Intellectual Property Rights.

At EU level, the Trademark Act has integrated the EU Trademarks Directive (2008/95/EC), the Community Trademark Regulation (207/2009) and the IP Enforcement Directive.

Unregistered marks

Protection

The Trademark Act 2001 follows the principle that trademark rights come into existence upon valid registration under the Trademark Act.

However, the owner of an unregistered well-known mark may enforce the following exclusive rights:

- file an opposition to an application for registration of a sign that is identical or confusingly similar to its own, for identical or similar goods;
- file a civil action to invalidate an identical or similar trademark registered for identical or similar goods; and
- file a civil action against the unauthorised use of the unregistered mark for identical or similar goods.

Use requirements

Article 3(2) of the Trademark Act 1988 extended limited protection to the owners of unregistered well-known marks, but stated that such protection was granted to the "user" of the mark. Therefore, the act expressly required the use of the unregistered well-known mark within the Spanish territory in order to claim protection.

The revised Trademark Act makes no reference to use of the unregistered mark in Spain as a prerequisite for claiming protection. Hence, in principle, the Trademark Act requires only that the unregistered mark be well known in order to be protected.

Registered marks

Ownership

Article 3 of the Trademark Act identifies the following categories of person who can legitimately obtain a Spanish trademark or trade name:

- Spanish natural or legal persons, and foreign natural or legal persons who have their habitual residence or a serious and effective industrial or commercial establishment in Spain;
- foreign natural or legal persons who enjoy the benefits of the Paris Convention or who are nationals of a World Trade Organisation (WTO) member state; and
- foreign natural or legal persons whose home state recognises the right of Spanish nationals to register such rights (mutual recognition principle).

A representative of the rights holder requires a power of attorney before filing. However, this need not be notarised or legalised.

The Trademark Act also sets out, in Article 2(2), that if a person applies to register a trademark in breach of either third-party rights, or a legal or contractual obligation, the aggrieved party may enforce its ownership of the trademark before the Commercial Court, provided that the claim is brought within a period of five years from publication of the notice of registration or the time at which the trademark is first used in Spain.

Scope of protection

Protected: Article 4 of the Trademark Act establishes the requirements for trademark registration. It provides that a trademark may be any sign that is capable both of being represented graphically and of distinguishing in the market the goods or services of one undertaking from those of others.

Article 4(2) completes the definition with an inclusive list of signs that may constitute trademarks:

- words or combinations of words, including those capable of identifying persons;
- figures, symbols and drawings;
- letters, numerals and combinations thereof;
- three-dimensional shapes, including wrappers, containers and the shape of goods or their packaging;
- sounds; and
- any combination of the above, without limitation.

Not protected: Articles 5 to 10 of the Trademark Act set out the grounds for refusal of registration. A trademark cannot be registered in Spain if it contravenes these provisions.

The same provisions apply as grounds for invalidation of a trademark registration (Articles 51 and 52). Thus, while a trademark may be entered in the Trademark Register in

contravention of these prohibitions, it may still lack validity and may thus be declared invalid by a final court decision on the basis of absolute or relative grounds for refusal set out in Articles 5 to 10 of the Trademark Act.

Article 5 contains a list of 11 absolute grounds for refusal, which mainly correspond to those set out in Article 3 of the Trademarks Directive. The following signs may not be registered as a trademark:

- signs that are not registrable because they do not fulfil the requirements set out in Article 4 of the Trademark Act;
- signs that lack distinctive character;
- signs that are comprised exclusively of signs that serve in trade to designate the characteristics of the relevant goods or services;
- signs that consist exclusively of signs or indications that have become customary to designate the relevant goods or services in the current language, or in the good-faith and established practices of the trade;
- signs that consist exclusively of a shape which results from the nature of the goods themselves, which is needed to obtain a technical result or which gives substantial value to the goods;
- signs that are contrary to law, public policy or accepted principles of morality;
- signs that may deceive the public – for instance, as to the nature, quality or geographical origin of the relevant goods or services;
- signs identifying wines or spirits that contain a geographical indication, where those wines or spirits did not originate in that geographical area, even if the true origin of the goods is indicated or if the geographical indication is translated or used along with expressions such as 'kind', 'type', 'style' or 'imitation';
- signs that include or imitate the coats of arms, flags, decorations or other emblems of Spain, its autonomous communities, its towns, provinces or other local entities, unless the appropriate consent has been given;
- signs that have not been authorised for use by the competent authorities and that are to be refused pursuant to Article 6*ter* of the Paris Convention; and
- signs that include badges, emblems or coats of arms, other than those covered by Article 6*ter* of the Paris Convention, which are of particular public interest, unless the appropriate authorities have granted consent to the registration.

Article 6 sets out relative grounds for refusal or invalidation in case of conflicts with identical or similar earlier rights, in the same terms as Article 4(1) of the Trademarks Directive. Hence, according to Article 6(1) of the Trademark Act, the following signs may not be registered as a trademark:

- signs that are identical to an earlier trademark, where registration is sought for identical goods or services; and
- signs that are identical or similar to an earlier trademark, where registration is sought for identical or similar goods or services and there is a likelihood of confusion on the part of the public, including the likelihood of association with the earlier trademark.

Article 6(2) of the Trademark Act defines what is meant by an 'earlier trademark' in the same terms as Article 4(2) of the directive:

- Spanish registered trademarks, trademarks registered internationally and effective in Spain, and Community trademarks, with a filing or priority date that precedes the trademark application;
- registered Community trademarks, which, under the Community Trademark Regulation, constitute a valid claim to seniority over Spanish registered trademarks or trademarks registered internationally and effective in Spain, even if they have been surrendered or have lapsed;
- trademark applications that fall under the above categories, subject to their final registration; and
- unregistered trademarks that are well known in Spain on the filing or priority date, pursuant to Article 6*bis* of the Paris Convention.

Article 7 further prohibits the registration of the following:

- signs that are identical to an earlier trade name designating activities which are identical to the goods or services for which registration is sought; and
- signs that are identical or similar to an

earlier trade name, where registration is sought for goods or services identical or similar to the designated activities and there is a likelihood of confusion on the part of the public, including the likelihood of association with the earlier trade name.

Article 8, informed by Article 4(4)(a) of the directive, sets out relative grounds for refusal or invalidation in case of a conflict with identical or similar earlier registered trademarks and trade names that are famous or well known in Spain.

Hence, Article 8(2) defines a 'well-known trademark' as a sign that is generally known by the relevant sector of the public for the goods, services or activities covered. Article 8(3) provides that a famous trademark is one that is well known by the general public.

The Trademark Act thus establishes that the greater the degree of public knowledge and the more well known the mark, the greater the protection it enjoys. In this way, the protection afforded to such marks is extended beyond the principle of speciality: a trademark application will be refused even if the goods or services for which registration is sought are dissimilar to those for which an identical or similar well-known or famous mark is registered. This reinforced protection applies if the use of the later mark might suggest a connection between the goods or services covered and the owner of the well-known or famous mark, or in general where such use, without due cause, would take unfair advantage of, or be detrimental to, the distinctive or well-known character or reputation of the earlier mark.

Further grounds for refusal or invalidation set out in Article 9 of the Trademark Act coincide with those set out in Article 4(4)(c) of the directive (eg, rights related to the name or surname of a person, copyright).

Article 10 of the act sets out relative grounds for refusal or invalidation in case of unauthorised registration by an agent or representative; these are established in the same terms as Article 6*septies* of the Paris Convention.

Unless it can justify its actions, the agent or representative of a rights holder located in a Paris Convention or WTO member state may not register that trademark in Spain in its own name without the owner's consent.

Procedures

The trademark registration system is established in Articles 11 to 30 of the Trademark Act and in the complementary regulation (Royal Decree 687/2002).

Examination

The application to register a trademark must be filed before the Spanish Patent and Trademark Office (SPTO).

Once an application is filed, the SPTO will examine it for compliance with the formal requirements. If the application is admissible, the SPTO will conduct an electronic search of earlier rights that may be incompatible with the application, based on relative grounds for refusal.

The SPTO will notify the owners of any potentially incompatible earlier rights that have been detected so that they may file an opposition if they consider it appropriate; however, the SPTO will not refuse an application *ex officio* due to the existence of an incompatible earlier right. At the same time as notifying the owners, the SPTO will publish the application in the *Industrial Property Official Gazette*.

Following publication, the SPTO will conduct an *ex officio* substantial examination of the application to determine whether:

- there are absolute grounds for refusal; or
- the application includes or comprises a name, surname, pseudonym or any other sign identifying a person other than the applicant to the general public.

If no oppositions are filed and the *ex officio* examination raises no objections, the trademark will be registered. If objections are raised in the substantial examination, the proceedings will be halted and the applicant will be notified accordingly. The applicant has one month from such notification to submit arguments in support of its application, or to withdraw, limit, amend or split the application. Regardless of whether the applicant responds, the SPTO will decide whether to grant or refuse registration, specifying the grounds for its decision.

If grounds for refusal exist only for some of the goods or services for which registration is sought, the refusal of registration will be limited to the goods or services at issue.

The grant or refusal of registration will

then be published in the *Industrial Property Official Gazette*.

The applicant can contest the SPTO's decision through an administrative appeal procedure within one month of its publication. In such case the SPTO will review its decision to determine whether the administrative acts granting or refusing registration were performed in accordance with the law.

Opposition

Publication of the trademark application triggers a two-month period during which any party that believes its rights may be damaged can file an opposition to the registration based on absolute and/or relative grounds for refusal.

The opposition procedure is identical to that followed where the SPTO raises objections to the application: the applicant will be notified of the opposition and given the opportunity to respond, and the SPTO will then decide whether to grant or refuse registration and publish its decision in the *Industrial Property Official Gazette*. Again, the decision may be appealed through an administrative appeal procedure within one month of publication.

Removal from register

A trademark may be removed from the register by the SPTO or by the courts. A trademark may be cancelled by the SPTO if it is not duly renewed (renewals must be made every 10 years) or if it is surrendered by the owner (the owner may surrender the trademark for all or some of the goods or services for which it is registered; surrender will not be permitted where this may affect the rights of third parties – for example, where the rights are subject to licences, attachments or call options).

Contentious-administrative courts and commercial courts (the specialised IP courts in the civil jurisdiction) may reject or declare a trademark invalid.

Contentious-administrative courts: Any unsuccessful party in an administrative appeal process may lodge an appeal before the contentious-administrative courts within two months of publication of the SPTO's administrative appeal decision in the *Industrial Property Official Gazette*.

Article 53 of the Trademark Act extends the final and binding nature of decisions issued in the contentious-administrative jurisdiction to the civil jurisdiction. Hence, an application for invalidation of a trademark may not be filed with the commercial court if it relies on grounds that have already been considered in a contentious-administrative appeal.

Commercial courts: As set out in Article 55 of the Trademark Act, a trademark will be cancelled by a commercial court if:

- it has not been put to genuine and effective use in the Spanish market in connection with the goods or services for which it is registered. If such use is not made from the time of registration or ceases for an uninterrupted period of five years, without legitimate reason, the trademark may be cancelled if a revocation application is filed before the commercial courts;
- as a result of the owner's activity or inactivity, the trademark has become a common name for the goods or services for which it is registered;
- the trademark becomes misleading as a consequence of its use in the market; or
- the owner no longer has the capacity to own a Spanish trademark.

The courts can also invalidate a registration on absolute and relative grounds where the registration has been obtained unlawfully. The absolute grounds, set out in Article 51, are as follows:

- The trademark is in breach of Article 3 of the Trademark Act (ie, the owner is not entitled to own a Spanish trademark);
- The trademark is in breach of Article 5 (ie, there are absolute grounds for refusal); or
- The rights holder acted in bad faith when filing the trademark application.

An invalidation action based on absolute grounds will not be time-barred.

The relative grounds for invalidation are set out in Article 52 and comprise registration in breach of Articles 6, 7, 8, 9 or 10. However, if the owner of the earlier right has tolerated the use of the infringing mark for a period of five successive years, the right to bring an invalidation action will lapse, unless the

infringing mark was registered in bad faith.

An owner of prior rights which wishes to take action against a registration filed in good faith has five years from the date of publication of the notice of registration or the date on which the owner of prior rights becomes aware of the later trademark being used in Spain.

There is no time limit for action by an owner of prior rights against a registration filed in bad faith.

Searches

The SPTO can perform official searches. These include searches for identical and similar word marks and trade name searches (official searches for traditional graphic marks and non-traditional graphic marks are not available).

It is possible to request an official search either for identical signs or for similar signs.

Enforcement

Complexity

Under Article 40 of the Trademark Act, registered trademark rights may be enforced through the commercial and criminal courts.

Civil actions for registered trademarks: Article 41 of the Trademark Act lists the civil actions that a registered rights holder can bring against an infringer before the commercial courts. Among other things, the rights holder may seek the following remedies:

- cessation of the infringing acts;
- compensation for damages;
- delivery or destruction of the infringing goods at the infringer's expense;
- delivery or destruction of the means principally used to commit the infringement at the infringer's expense;
- transfer of ownership of the infringing goods and the means intended to commit the infringement; and
- publication of the judgment at the infringer's expense.

Article 43 establishes the legal criteria to calculate the compensation for damages, which includes not only the losses suffered but also the gains that the trademark registration holder has failed to obtain as a result of the infringement of its right. The level of such compensation is fixed, at the injured party's discretion, according to one of the following criteria:

- the negative economic consequences suffered by the injured party, including the profits that the rights holder would have obtained if the infringement had not occurred, the profits obtained by the infringer as a consequence of the infringement and moral damages; or
- the royalty that would have been due if the infringer had requested authorisation to use the IP right.

The compensation for damages shall also include the expenses incurred by the rights holder during the investigations carried out to obtain reasonable evidence of the infringement.

In addition, the rights holder can request a compensation for the damages caused to the prestige of the trademark, in particular, due to a faulty fabrication or an inadequate presentation of the illicit goods.

The rights holder is also entitled to request interim measures to ensure the effectiveness of the judgment adopted in the main action.

Three criteria must be satisfied to obtain an interim injunction:

- *fumus boni iuris* (ie, a *prima facie* case);
- *periculum in mora* (ie, urgency); and
- the provision of a bond to guarantee potential damages to the defendant.

An interim injunction may be issued either *ex parte* or following a contradictory hearing.

The Trademark Act sets no time limits for the pursuit of interim relief. However, as one of the criteria to be satisfied in order to obtain an interim injunction is urgency, the rights holder should file the corresponding request as soon as possible after becoming aware of the infringing acts.

Civil actions for unregistered trademarks: The Trademark Act grants protection to unregistered trademarks that are well known in Spain. Therefore, since an unregistered well-known trademark is considered almost equivalent to an unknown registered trademark, there are no difficulties in enforcing such rights.

Criminal actions for registered trademarks: Criminal actions for trademark infringement are defined in Article 274 of the Criminal

Code. Criminal proceeding can be commenced against those who intentionally manufacture, import, store or sell counterfeit goods. The legal penalties are:

- imprisonment of between six and 24 months;
- payment of damages (legal criteria established pursuant to Article 43);
- payment of a fine; and
- destruction of the infringing goods.

Only the owners of registered trademarks can seek protection under criminal law.

Timeframe

The timeframe for civil actions for the protection of registered and unregistered trademarks is around a year at first instance and around two years for an appeal judgment.

Ownership changes and rights transfers

In accordance with Article 11 of the Trademark Law Treaty, the Trademark Act does not require such legalisation. Instead, the presentation of legalised documents is left at the applicant's discretion.

According to Article 39 of the Trademark Act, use of a mark by a third party with the rights holder's consent is attributed to the rights holder. Therefore, use by a licensee is attributed to the rights holder as far as such use is made within the limits of the licence agreement.

Related rights

Article 4(1) of the Trademark Act provides that any sign may be registered and protected as a trademark if it is capable of being represented graphically and of distinguishing in the market the goods or services of one undertaking from those of others.

Therefore, an object of copyright, a design protection or rights related to the name or image of a person may also be protected as a trademark, provided that it fulfils the requirements of Article 4(1). However, the absolute grounds for refusal as set out in Article 5(1)(e) must be taken into account. It is thus not possible to register as a trademark utility models (technical effect of the shape) or, in some cases, industrial designs (substantial value of the shape).

Online issues

Article 34(3)(e) recognises that a registered rights holder has the exclusive rights to use its trademark on interconnected communication networks and as a domain name.

Therefore, the owner of a registered or unregistered well-known trademark may prevent third parties from using its mark in this way without authorisation. WTR

Examination/registration		
Representative requires a power of attorney when filing? Legalised/notarised?	**Examination for relative grounds for refusal based on earlier rights?**	**Non-traditional marks registrable?**
Yes/No ✓ / ✗	Yes ✓	3D; sounds. ✓

Unregistered rights	
Protection for unregistered rights?	**Specific/increased protection for well-known marks?**
Yes ✓	Yes ✓

Opposition
Can a registration be removed for non-use? Term and start date?
Yes: two months. ✓

Removal from register		
Can a registration be removed for non-use? Term and start date?	**Are proceedings available to remove a mark that has become generic?**	**Are proceedings available to remove a mark that was incorrectly registered?**
Yes: five years' non-use from date of publication of registration or date of suspension of use. ✓	Yes ✓	Yes ✓

Enforcement		
Specialist IP/trademark court?	**Punitive damages available?**	**Interim injunctions available? Time limit?**
Yes ✓	No ✗	Yes/No ✓ / ✗

Ownership changes
Mandatory registration for assignment/licensing documents?
No/No ✗ / ✗

Online issues	
National anti-cybersquatting provisions?	**National alternative dispute resolution policy (DRP) for local ccTLD available?**
Yes ✓	No: UDRP applies directly. ✗

GRAU & ANGULO
ABOGADOS

Grau & Angulo
C/Joseph Irla i Bosch 5-7
Barcelona 08034, Spain
Tel + 34 93 202 34 56
Fax + 34 93 240 53 83
Web www.gba-ip.com



Sonia Santos
Partner
s.santos@gba-ip.com

Sonia Santos graduated in economic law from Deusto University in Bilbao and has been a member of the Barcelona Bar Association since 2002. She obtained an LLM in intellectual property from Queen Mary, University of London. She joined Grau & Angulo in 2003. Ms Santos specialises in trademark and design law, copyrights, IT law and domain names. She speaks Spanish and English.



Jesús Arribas
Partner
j.arribas@gba-ip.com

Jesús Arribas graduated in law from the Autonomous University of Madrid and has been a member of the Madrid Bar Association since 2002. He obtained an LLM in intellectual property from the University of Alicante in 2001 and subsequently trained at the European Patents Office in Munich. Mr Arribas joined Grau & Angulo in 2003 and specialises in patent and trademark litigation. He speaks Spanish and English.