

El Salvador

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Legal framework

National law

The main regulations of the 2002 Trademarks Law provide for the following:

- protection for well-known trademarks;
- new trademark examination rules;
- a six-month term for abandoning an application;
- a four-month term for answering office actions;
- coexistence agreements for similar marks;
- the registration of appellations of origin;
- the division of registrations based on the goods covered;
- the limitation of goods in a pending application or registered mark;
- co-ownership of a mark; and

- the extension and limits of trademark rights.

Trademarks registered previously are subject to opposition on renewal; in contrast, trademarks registered under the 2002 law are not published. Marks are protected for 10 years, renewable every 10 years. An additional advantage is the inclusion of clear and simple rules for calculating damages. The law has its own statute of limitations rules, which prevail over the Code of Commerce's general provisions.

Trademarks are protected through registration – one per international class (1 to 44) – at the Registry of Intellectual Property (RIP). Priority can be claimed according to the Paris Convention for the Protection of Industrial Property. The Nice Convention for the International Classification of Goods and Services also applies.

International law

El Salvador is a signatory to the following international trademark treaties and agreements:

- the Paris Convention;
- the Agreement on Trade-Related Aspects of Intellectual Property Rights;
- the Dominican Republic-Central America Free Trade Agreement with the United States (DR-CAFTA). To fulfil its requirements under this agreement, El Salvador made a number of amendments to its trademark law, including:
 - extending protection to sound, smell and certification marks;
 - providing bulletproof protection for certification marks, in that they cannot be seized, embargoed or subject to preliminary injunctions or judicial execution;
 - introducing a provision that should a certification mark not be renewed or be abandoned, or should the public entity owning it cease to exist, an identical mark cannot be registered or used by another party for 10 years;
 - making the recordal of licence agreements optional. Coexistence agreements will be approved as signed by the parties; and
 - requiring that notices of publication in both the *Official Gazette* and major newspapers outline the list of goods and services covered;
- the Trademark Law Treaty, which implemented the following in El Salvador:
 - multi-class applications and registrations;
 - division of application or registration – an applicant can divide the application to defend an opposition and continue the registration process in the other classes;
 - address and name changes – proof of such changes are no longer required; and
 - power of attorney– this need not be notarised or legalised, unless judicial actions are being pursued; and
- the Association Agreement between the European Union and Central America, which focuses on protection for geographical indications and appellations of origin.

Unregistered marks Protection

Rights in unregistered marks arise only where the relevant mark is sufficiently well known and this can be proved. Such marks may be enforced through an unfair competition action filed before a civil and mercantile court. Criminal actions are available in cases involving criminal responsibility. Complaints are filed before the General Attorney's Office, which will file an action before a criminal court after conducting an investigation.

Use requirements

The Trademarks Law does not specify how much use is required to establish unregistered rights. However, the following is helpful:

- a home registration certificate;
- an international registration certificate;
- online advertising;
- television, radio, internet and press advertising and social media exposure;
- exposure of the mark to Salvadoran consumers;
- an affidavit issued by an authorised officer explaining how the mark became well known; and
- sales volumes.

Registered marks Ownership

Any natural or legal person can apply for and acquire the right to own a mark in El Salvador. No conditions of nationality, domicile or establishment apply.

A representative needs a power of attorney to act before the RIP, which must be notarised and legalised by apostille or alternatively before the nearest consulate. In the absence of this, a bond can be rendered as a temporary warranty of representation while power of attorney is rendered.

Scope of protection

Not all trademarks or brand names are registrable. The Trademarks Law sets out grounds for refusal of registration, both for intrinsic reasons (Article 8) and where the mark violates third-party rights (Article 9).

A mark is inadmissible for intrinsic reasons if it:

- consists of the usual form of the goods for which registration is sought, or their packaging, or a form that is necessary due to the nature of the goods or services;

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- consists of a form that gives a functional or technical advantage to the goods or services for which registration is sought;
- consists of a common or usual name, term or designation of the goods or services in usual technical, scientific or commercial language;
- serves in trade to describe a characteristic of the goods or services;
- is a simple, isolated colour;
- is a letter or digit separately considered, unless represented in special and distinguishing form;
- is contrary to morality or public order;
- includes elements that offend or ridicule people, ideas, religions or national symbols of any country or international organisation;
- could mislead or cause confusion as to the geographical origin, nature, method of manufacture, qualities, aptitude for use or consumption, amount or some other characteristic of the goods or services; or
- consists of the name of a protected vegetal variety in El Salvador or abroad.

Additionally, a mark is inadmissible if, after examination, the registrar determines that it violates third-party rights – for example, if it:

- is identical or similar to a third party’s mark that is registered or pending for goods or services related to those protected by a registered or pending mark, when that use may cause confusion;
- is visually, phonetically, olfactorily or conceptually similar to a third party’s mark that is registered or pending for goods or services that may cause confusion;
- is likely to cause confusion because it is identical or similar to a third party’s trade name or emblem already used in El Salvador for similar commercial activities;
- constitutes a full or partial reproduction,

imitation, translation or transcription of a third party’s well-known mark, where its use may cause confusion or a risk of association with the third-party mark or take unjust advantage of the notoriety of the well-known sign;

- affects a third party’s personality rights or consists, fully or partially, of a third party’s name, signature, title, pseudonym or image, unless the third party or its heirs expressly grant consent; or
- is likely to cause confusion with a protected geographic indication or an appellation of origin for which protection has been applied before the examined application.

Procedures

Examination

An application will first be examined for compliance with the formal requirements and afterwards on novelty and to verify whether the mark falls under any of the prohibitions set out in Articles 8 and 9.

If the examining attorney believes that one or more requirements are missing, or that the mark falls under any of the prohibitions, it will issue an office action, which will comprise a preliminary rejection. In both cases the applicant has four months to respond. If it fails to do so within this timeframe, the RIP will issue a resolution declaring the mark’s abandonment. Where a preliminary rejection has been issued and the applicant fails to respond, the RIP will issue a resolution declaring the mark’s dismissal. In this case, the applicant has recourse to the following:

- a revision recourse, which may be filed in writing with the registrar who issued the resolution within three days of service. This focuses on the arguments that will subsequently be discussed in a hearing

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- at which the registrar and all intervening parties will be present;
 - a revocatory recourse, which may be filed orally at the revision hearing. It is decided by the chief registrar, before whom a new hearing is held eight days after the revision hearing; and
 - an appeal, which can be filed in writing before the director of the RIP, who will give the parties 10 days in which to file evidence. Afterwards, the director will issue his or her verdict.

The Trademarks Law states that the examining attorney is entitled to declare the application's abandonment if six months have elapsed from the date of service of any resolution without the applicant pursuing the next step of the registration process. The sole argument against abandonment is *force majeure*, which must be proven.

Once an application is admitted for registration, it will be published in the *Official Gazette* and in a major newspaper.

Opposition

In the two months following publication in the *Official Gazette*, any party with a legitimate interest can file an opposition. No extensions for this or any other type of action are allowed. The registrar will verify whether the opposition meets all legal requirements; if so, an admission resolution will be issued and served on the applicant, which has 60 days to respond. After this, the registrar will issue the final resolution within one month.

An opposition procedure should last four months. However, as serving the opposition takes longer and the RIP has a backlog of cases, the whole procedure normally takes between 12 and 18 months, if further delays are not encountered.

Registration

The registration procedure takes approximately eight months if the application complies with all legal requirements and no office actions or oppositions arise.

The following documents and information must be provided:

- the applicant's name, domicile and nationality or state of incorporation;
- a sample of the mark;

- a list of the goods or services, and/or international classes, in which registration is sought; and
- a power of attorney and corresponding notarial certification duly legalised before the nearest Salvadoran consulate or by apostille. One document per applicant is sufficient.

Removal from register

Cancellation: Cancellation of a trademark for non-use was abolished in 2002, but reintroduced in 2006 following the implementation of the DR-CAFTA to allow for full or partial cancellation of a mark that has not been used for five years. Partial cancellation will affect only those goods or services for which the mark is not being used. March 2011 marked the starting point for the filing of cancellation actions for non-use.

Where a mark is cancelled successfully, the prevailing party can take up rights in the mark starting from the filing date of its cancellation claim, but no later than three months following the court's decision.

A trademark is considered to be 'in use' when it is used in relation to:

- goods or services in commerce;
- goods exported from El Salvador; or
- services that are provided abroad, but originated in El Salvador.

Additionally, advertising the mark through any means is considered use, "even if the goods or services covered are not actually traded" in El Salvador. This provision is useful for foreign rights holders, which can rely on advertising to help to prove use. Rights holders are advised to supplement advertising evidence with commercial invoices, accounting documents or auditors' certifications that show the amounts and regularity of the goods or services being used in commerce. Defences to non-use include circumstances beyond the power of the rights holder – such as import restrictions – or any other official requirements imposed on products or services covered by the mark.

No filing of proof of use is required on a regular basis.

Cancellation actions must be filed with the civil and mercantile courts, which were created in 2010 by the Civil and Mercantile Process Code. Cases are now orally argued by the parties, with the simplest decided in one

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hearing and the most complex in two. Evidence must be fully filed alongside the complaint and new evidence can be provided only if it refers to new facts. The code attempts to expedite civil and mercantile cases; cancellation procedures now take between five and six months. As part of the proceedings, the judge can issue a resolution ordering the recordation of the complaint at the RIP to prevent the registrant from transferring the mark to a third party.

Once the court has issued its verdict, the RIP will cancel the mark accordingly. The registrant may also seek voluntary cancellation of its mark.

Invalidation: Where a trademark has been incorrectly registered, the law only allows a judicial action to be brought against the registration. There is a five-year statute of limitations for judicial cancellation actions.

Searches: Official searches are allowed for similar and identical marks, in one or all international classes. A search report will include similar or identical trade names and slogans. Design marks can be searched separately from word marks. The official fee is \$20 per mark/design per international class.

Enforcement Complexity

The Trademarks Law provides for:

- preliminary injunctions;
- permanent injunctions;
- civil actions;
- damages; and
- actions against unfair competition that affects trademark rights.

The Criminal Code also includes provisions on criminal offences. Accordingly, both civil and

criminal remedies are available to deal with the infringement of registered marks. Unregistered marks may be enforced if they are well known. All enforcement actions fall under the courts’ exclusive jurisdiction.

While specialist IP courts do exist, the competent courts will be those with jurisdiction in civil and mercantile matters, as well as the criminal courts if the infringer has committed a felony.

Among other things, a rights holder can request a preliminary injunction ordering:

- the immediate cessation of any infringing acts;
- the seizure of goods, packaging, labels and other materials bearing the infringing mark, and equipment and materials used to perpetrate the infringement – except for printing presses and accessories and other media;
- the suspension of imports or exports of infringing products or materials; and
- the provision of information by the alleged infringer about persons that participated in the production, sale or distribution of the infringing goods.

A judge can also issue a permanent injunction ordering:

- the transfer of infringing goods or materials and relevant equipment to the rights holder;
- any action necessary to prevent the continuation or repetition of the infringement, including the destruction of infringing goods and materials, and relevant equipment;
- payment of an indemnity for damage suffered; and
- publication of the final judicial resolution at the infringer’s expense.

“ Although the recordal of licence agreements is no longer mandatory, it is desirable to create pre-existing evidence of use. Licence agreements are enforceable before third parties, including infringers and authorities, as long as they are duly legalised and translated into Spanish ”

Preliminary injunctions may be granted against goods in transit and border seizures. Permanent injunctions can include the destruction of goods seized at the border, as well as the destruction of materials used to manufacture the infringing goods. Infringers are not compensated for any losses in the procedure. The infringing goods can also be donated to charity, subject to the removal of all labels displaying the infringing mark.

Rules relating to damages have been substantially modified. According to new DR-CAFTA-influenced provisions, the plaintiff can base its claim on:

- damages caused to the rights holder as a result of the infringement;
- benefits that the rights holder would have obtained if the infringement had not occurred. The court considers the value of the goods or services infringed based on the retail price or through other means that prove their value; and/or
- the price or royalty that the infringer would have paid if it had a licence.

The statute of limitations for civil actions is five years from the date of the last infringement. However, if it can be proven that the infringement was committed in bad faith, the statute of limitations does not apply and the infringer can be prosecuted at any time.

Timeframe

Preliminary injunctions may be requested to secure evidence, either before filing an infringement action or as part of it. The judge has the discretion to order the petitioner to post a bond as compensation for damage caused by a failed action. Preliminary injunctions can be requested either as a separate action or with the main enforcement action. They must be granted and executed within 48 hours of filing the action. If the suspension of imports or exports is requested, the plaintiff must file an infringement action within 10 working days (which may be extended once); otherwise, the injunction will be lifted.

The Civil and Mercantile Process Code shortened the duration of a case from between five and six years under the former system to less than one year for first-instance and appeal proceedings.

Criminal actions are usually more intimidating for the infringer and generally take between two and three months from filing the complaint to the conciliatory audience, following seizure of the infringing goods.

The statute of limitations for unfair competition actions is two years from the date on which the registrant learned of the act of unfair competition or five years from its last performance, whichever expires first.

Ownership changes and rights transfers

It is mandatory to register any changes to a rights holder's name or domicile, as well as all assignments, for each registration to ensure that the RIP's information is up to date. The recording attorney can file an affidavit on the registrant's behalf regarding a change of domicile.

For an assignment, a document must be submitted to the RIP, fully executed in one language. Any foreign text must be translated into Spanish before being filed, and must be notarised and duly legalised before the nearest Salvadoran consulate or by apostille.

Although the recordal of licence agreements is no longer mandatory, it is desirable to create pre-existing evidence of use. Licence agreements are enforceable before third parties, including infringers and authorities, as long as they are duly legalised and translated into Spanish.

A licence is attributed to the rights holder when an express authorisation to use a mark is granted, with or without limitations, according to the owner's policy.

Related rights

There are certain areas of overlap between trademark rights and other rights, such as copyright. This occurs mostly in judicial procedures where it is necessary to prove ownership of a right. In such cases, a copyright registration can strengthen the evidence of ownership. A design mark can be protected using copyright if it meets the criteria of artistic creativity and originality.

Online issues

The domain name regulations are relatively new and specifically authorise the registration entity SVNET to adopt dispute resolution procedures based on the Uniform Domain Name Dispute Resolution Policy for the country-code top-level domain '.sv'. [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/Yes    | Yes  | Sounds; olfactory; certification.  |

| Unregistered rights | | Opposition |
|--|--|--|
| Protection for unregistered rights? | Specific/increased protection for well-known marks? | Can a registration be removed for non-use? Term and start date? |
| Yes: provided fame can be proven.  | Yes  | Yes: 60 days after first publication in <i>Official Gazette</i> .  |

| 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: for five consecutive years' non-use.  | No  | Yes  |

| Enforcement | | |
|---|---|---|
| Specialist IP/trademark court? | Punitive damages available? | Interim injunctions available? Time limit? |
| No  | No  | Yes: limit set by court.  |

| Ownership changes | Online issues | |
|---|---|--|
| Mandatory registration for assignment/licensing documents? | National anti-cybersquatting provisions? | National alternative dispute resolution policy (DRP) for local ccTLD available? |
| Yes/No    | No  | Yes  |

Contributor profiles
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José Roberto Romero joined the firm 30 years ago and is currently vice president and managing partner. Specialising in intellectual property, over the years he has consolidated and diversified the services of the IP division. Mr Romero has also held positions in international organisations, positioning the firm as one of the leading IP players in the country. He was recently appointed IP ambassador of the International Chamber of Commerce for El Salvador.

His corporate law practice includes the incorporation and development of foreign companies investing in the country, including over 50 franchising operations. Mr Romero has broad experience of mergers and corporate transformations, and the distribution and organisation of corporate structures.