

Spain

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I. Legal framework

National

Distinctive signs are principally governed by the Trademark Act (17/2001), which replaced the former Trademark Act (32/1988) and was implemented by Royal Decree 687/2002.

The First Additional Disposition of the Trademark Act provides that Title 13 of the Patents Act (11/1986) also applies to trademarks, insofar as it does not conflict with the nature of trademarks.

While civil actions for trademark infringement are comprehensively covered in the Trademark Act, criminal actions for infringement are defined only in Title 13, Section 11 of the Criminal Code (10/1995), as amended by Act 15/2003.

International

One of the main reasons for revising the 1988 Trademark Act was the need to harmonize the Spanish regime with EU and international standards.

At EU level, trademark harmonization was principally effected through the First Trademark Directive (89/104/EEC), which is incorporated into Spanish law.

The Trademark Act is also informed by the Community Trademark Regulation (40/94), which created a distinctive sign with EU-wide effects.

At an international level, the Trademark Act has integrated and 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 (TRIPs).

2. Unregistered marks

Protection

The Trademark Act 2001 follows the provisions of its predecessor, which stated that trademark rights come into existence only upon valid registration under the Trademark Act. This notwithstanding, the protection of unregistered well-known marks is recognized under Article *6bis* of the Paris Convention. A new Article 6(1)(d) was thus added to the Trademark Act 2001 as relative grounds for refusal and invalidation: it covers earlier unregistered trademarks that are well known in Spain in the context of Article *6bis* of the Paris Convention. Accordingly, Article 34(5) of the act recognizes that such unregistered marks enjoy the same exclusive rights as registered marks.

Therefore, the owner of an unregistered well-known mark may enforce the following exclusive rights that subsist in registered trademarks:

- 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 unauthorized 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.

Spanish doctrine supports this interpretation, as TRIPs does not require the use of a well-known trademark in the jurisdiction in which protection is sought. However, the Spanish courts have not yet considered the new wording of the Trademark Act in relation to this issue.

3 Registered marks

Ownership

Article 3 of the Trademark Act identifies the following categories of persons 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 Organization member state; and
- foreign natural or legal persons whose home state recognizes the right of Spanish nationals to register such rights (mutual recognition principle).

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 of being represented graphically and capable of distinguishing on 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 First Trademark Directive. The following marks may not be registered as a trademark:

- marks that are not registrable because they do not fulfil the requirements set out in Article 4 of the Trademark Act;

- marks that lack distinctive character;
- marks comprised exclusively of signs that serve in trade to designate the characteristics of the relevant goods or services;
- marks comprised 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;
- marks comprised 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;
- marks that are contrary to law, public policy or accepted principles of morality;
- marks that may deceive the public – for instance as to the nature, quality or geographical origin of the relevant goods or services;
- marks identifying wines or spirits that contains 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’;
- marks that introduce or imitate the coat of arms, flag, decorations or other emblems of Spain, its autonomous communities, its towns, provinces or other local entities, unless the appropriate consent has been given;
- marks that have not been authorized for use by the competent authorities and that are to be refused pursuant to Article 6^{ter} of the Paris Convention; and
- marks 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 First Trademark Directive. Hence, according to Article 6(1) of the Trademark Act, the following marks may not be registered as a trademark:

- marks that are identical to an earlier trademark, where registration is sought for identical goods or services; and
- marks 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:

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

registration by an agent or representative; these are established in the same terms as Article 6septies of the Paris Convention.

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

4. Procedures

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

Examination

As established in Article 11 of the Trademark Act, an 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 at the same time as it publishes 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 whether 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 substantial 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.

Cancellation/surrender

As set out in Article 55, a trademark will be cancelled if:

- it is not renewed every 10 years;
- 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 (eg, licences or call options);
- it has not been used on the market (see below);
- as a result of the owner's 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 on the market; or
- the owner no longer has the capacity to own a Spanish trademark.

In the first two cases above, cancellation will be declared by the SPTO; in all other cases it will be declared by the courts.

Revocation

The trademark must be put to genuine and effective use in Spain 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 civil courts.

Invalidation

Contentious-administrative appeal: The decision in an administrative appeal process, which is issued by the SPTO itself, brings the administrative process to an end.

However, this decision may in turn be challenged through a contentious-administrative appeal lodged before the contentious-administrative courts.

Any unsuccessful party must lodge this appeal within two months of publication of the SPTO's administrative appeal decision in the *Industrial Property Official Gazette*.

Article 53 of the Trademark Act has extended 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 civil courts if it relies on grounds that have already been considered in a contentious-administrative appeal.

Civil action for invalidation: Articles 51 and 52 of the Trademark Act regulate invalidation actions before the civil courts.

Invalidation of an unlawfully obtained registration may be declared only by a final judgment. A judicial declaration of invalidity implies that the registration was never valid and will be treated as never having had legal effects.

A civil action for invalidation must be brought before a commercial court in the city where the High Court of Justice of the autonomous community in which the trademark owner has its domicile is located.

The absolute grounds for invalidation, 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 trademark owner acted in bad faith when it filed 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.

5. Enforcement

Complexity

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

Civil actions for registered trademarks: Article 41 lists the civil actions that a registered trademark owner can bring against an infringer. Among other things, the trademark owner may seek the following remedies:

- cessation of the infringing acts;
- compensation for damages;
- surrender or destruction of the infringing goods; and
- publication of the judgment at the infringer's expense.

The trademark owner 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 take issued either *ex parte* or with a hearing.

Civil actions for unregistered trademarks: The Trademark Act grants protection to unregistered trademarks that are well known in Spain in accordance with Article 6*bis* of the Paris

Convention. Therefore, since an unregistered well-known trademark is considered almost equivalent to a registered trademark, there are no difficulties in enforcing such rights. However, the remedies available are limited to those recognized under Article *6bis* of the Paris Convention – that is, refusal or cancellation of registration, or prohibition of the use of a trademark that constitutes a reproduction, imitation or translation which is liable to cause confusion.

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;
- 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.

6. Ownership changes – legalization requirements

The former Trademark Act 1988 required the legalization of all documents relating to ownership changes.

However, in accordance with Article 11 of the Trademark Law Treaty, the Trademark Act does

not require such legalization. Instead, the presentation of legalized documents is left at the applicant's discretion.

7. Areas of overlap with 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 on the market the goods or services of one undertaking from those of others.

Therefore, an object of copyright or design protection may also be protected as a trademark, as long as 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).

8. Online issues

Article 34(3)(e) recognizes that a registered trademark owner 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 authorization.