

Yearbook

2019/2020

A global guide for practitioners

Spain

Grau & Angulo

Sonia Santos and Jesús Arribas

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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).

The Trademark Act will be partially modified in order to incorporate EU Directive 2015/2436 (known as ‘the Trademark Reform’). The current draft of the new Trademark Act is yet to be approved and further amendments may be included; nevertheless, the final version is expected to enter into force on 14 January 2019.

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, Act 5/2010, Act 1/2015 and Act 2/2015.

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 (TRIPs).

Unregistered marks

Protection

The Trademark Act 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 has the right to:



The 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

- 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

The 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

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 member state; and
- foreign natural or legal persons whose home state recognises the right of Spanish nationals to register such rights (mutual recognition principle).

According to the new draft Trademark Act, the legitimacy would be extended to any natural or legal person, including public law entities.

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 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

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 (this requirement disappears in the new draft Trademark Act) and of distinguishing in the market the goods or services of one undertaking from those of others. It also provides 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.

Absolute grounds for refusal: 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 comprise exclusively 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 (the draft Trademark Act refers to the shape or another feature), 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.

According to the new draft Trademark Act, the absolute grounds for refusal will be extended to the denomination of a prior plant variety and traditional specialities.

Relative grounds for refusal or invalidation in case of conflicts with identical or similar earlier rights: 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.

Definition of ‘earlier trademark’: An ‘earlier trademark’ is defined to include:

- Spanish registered trademarks, trademarks registered internationally and effective in Spain and EU trademarks, with a filing or priority date that precedes the trademark application;
- registered EU trademarks, which under the EU 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.

The Trademark Act also 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



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

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.

The Trademark Act 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. 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 are provided in case of rights related to the name or surname of a person, copyright and unauthorised registration by an agent or representative.

According to the new draft Trademark Act, the relative grounds for refusal would be extended to conflicts with geographical indications and designations of origin.

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 publish the application in the *Industrial Property Official Gazette* and 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. 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 and published in the *Industrial Property Official Gazette*. 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



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Ms Santos obtained an LLM in intellectual property from Queen Mary, University of London. She is a member of the Barcelona Bar Association and regularly contributes to international publications in intellectual property. Consistently recognised by leading international legal directories, Ms Santos has received the International Law Office Client Choice Award for trademarks and has been included in *Managing Intellectual Property's* Top 250 Women in IP several times. She speaks Spanish and English.



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Mr Arribas obtained an LLM in intellectual property from the University of Alicante in 2001 and subsequently trained at the European Patent Office in Munich. He is a member of the Madrid Bar Association. He speaks Spanish and English and regularly contributes to international publications in intellectual property. Mr Arribas is consistently recognised by leading international directories for his expertise in IP matters.

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 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.

Any unsuccessful party in an administrative appeal process before the SPTO 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*.

The new draft Trademark Act provides that, at the request of the applicant, the owner of the earlier trademark that has filed an opposition should provide proof of use of that trademark in the course of the five years prior to the date of application or priority of the subsequent trademark.

Removal from register

A trademark may be removed from the register by the SPTO or commercial 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 – eg, where the rights are subject to licences, attachments or call options).

Civil Actions: The Commercial Courts of Barcelona, Madrid and Valencia are the specialised IP courts in the civil jurisdiction and can invalidate or cancel a Spanish trademark. The new draft Trademark Act provides that as of 14 January 2023, the invalidation and cancellation of a trademark may be sought before the SPTO or the commercial courts through a counterclaim in a civil infringement action.

Cancellation: 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 five-year period without legitimate reason, the trademark may be cancelled if a revocation application is filed before the commercial courts;
- the trademark has become a common name for the goods or services for which it is registered as a result of the owner's activity or inactivity;
- the trademark becomes misleading as a consequence of its use in the market; or



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

- the owner no longer has the capacity to own a Spanish trademark.

Invalidation: Commercial courts can also invalidate a registration on absolute and relative grounds where the registration has been obtained unlawfully.

An invalidation action based on absolute grounds will not be time barred. 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 based on relative grounds will lapse, unless the infringing mark was registered in bad faith.

An owner of prior rights which wishes to act 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 or similar signs.

Enforcement Complexity

Registered trademark rights may be enforced through the Commercial Courts of Barcelona, Madrid and Valencia and through any criminal court.

Civil actions for registered trademarks: 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.

The compensation for damages 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 or 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.

Compensation for damages will 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 compensation for the damages caused to the prestige of the trademark – in particular, due to a faulty fabrication or 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 proceedings can be commenced against those who intentionally manufacture, import, store or sell counterfeit goods. The legal penalties and remedies in criminal proceedings are:

- imprisonment of between one and four years for manufacturing, importing, offering, distributing, commercialising or storing wholesale counterfeit goods;
- imprisonment of between six months and three years for offering, distributing or commercialising retail sale counterfeit goods;
- imprisonment of between six months and two years for street vending and occasional sale of counterfeit goods (if certain requirements are met, imprisonment can be substituted by a fine);
- payment of damages (legal criteria established pursuant to Article 43); and
- destruction of the infringing goods.

These penalties can be extended for up to six years if, among other reasons, the crime has a special economic significance or because it has been committed by a criminal organisation or association.

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 one year at first instance and around two years for an appeal judgment.

Ownership changes and rights transfers

The Trademark Act does not require legalisation. Instead, the presentation of legalised documents is left at the applicant's discretion.

Related rights

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 legal requirements.

Online issues

The Trademark Act recognises that a registered rights holder has the exclusive right to use its trademark on interconnected communication networks and as a domain name. **WTR**

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Examination/registration

Representative requires a power of attorney when filing? Legalised/notarised?

Yes/No



Examination for relative grounds for refusal based on earlier rights?

Yes



Non-traditional marks registrable?

3D; sounds.



Unregistered rights

Protection for unregistered rights?

Yes



Specific/increased protection for well-known marks?

Yes



Opposition

Opposition procedure available? Term from publication?

Yes: two months.



Removal from register

Can a registration be removed for non-use? Term and start date?

Yes: five years' non-use from date of publication of registration or date of suspension of use.

Are proceedings available to remove a mark that has become generic?

Yes



Are proceedings available to remove a mark that was incorrectly registered?

Yes



Enforcement

Specialist IP/trademark court?

Yes



Punitive damages available?

No



Interim injunctions available? Time limit?

Yes/No



Ownership changes

Is registration mandatory for assignment/ licensing documents?

No



Online issues

National anti-cybersquatting provisions?

Yes



National alternative dispute resolution policy (DRP) for local ccTLD available?

No: UDRP applies directly.

