



Trademarks

in 43 jurisdictions worldwide

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1 Ownership of marks

Who may apply?

Spanish law allows the following to apply for a Spanish trademark registration before the Spanish Patent and Trademark Office (SPTO):

- any Spanish individual or company;
- foreign individuals or companies that:
 - reside in Spain or have an industrial or commercial establishment, which is effective and serious in Spain; or
 - benefit from the Paris Convention for the Protection of Industrial Property on 1883;
- nationals (individuals or companies) from members of the World Trade Organization; and
- individuals or companies from countries whose legislation allows Spanish nationals to register such signs.

An agent will only be entitled to register a trademark as long as he or she is authorised by the trademark owner to do so.

2 Scope of trademark

What may and may not be protected and registered as a trademark?

Any sign that may be represented graphically and that is useful to distinguish the goods or services from those of another company on the market may be registered as a trademark. This includes names, words, images, drawings, pictures, letters, numbers, three-dimensional forms (such as the form of a product) and any combination of them. Sounds are also accepted, while smells have traditionally not been registered with the SPTO as they are considered not to be 'graphically described'.

The conditions for the trademark to be valid are, essentially, that the sign is distinctive, that it is not descriptive or misleading, that it is not dictated by the very nature of the product, that it may not lead to confusion regarding the nature, quality or origin of the product and that it is not contrary to public policy.

Additionally to the above requirements, it is not possible to register a trademark that is identical to a previous trademark, as well as a trademark similar to a previous one if there is a likelihood of confusion among them. One characteristic principle of the Spanish trademark law, as in the rest of the European Trademarks legislation, is that two similar (even identical) signs may coexist in Spain when the products or services that they identify are different and cannot be confused.

3 Obtaining a trademark

How long does it typically take, and how much does it typically cost to obtain a trademark registration?

It usually takes six months to obtain the trademark registration from the moment the trademark application is filed. If there is an opposition or any problems (such as information missing in the

application form) the registration can take approximately 15 months. The registration fees are around €200 and the total cost of registration will depend on the number of classes requested.

4 Classification system

What classification system is followed, and what goods or services may be claimed?

The list of goods and services has to be in accordance with the ninth Nice Classification, although the claim of a good or service cannot be excluded on the basis that it is not expressly contemplated here.

5 Conflicts with other trademarks

Are applications examined for conflicts with other trademarks? What is the procedure followed in the Trademark Office?

The SPTO formally examines the application, checking that the sign does not fall under any of the absolute grounds for rejection (distinctiveness, risk of misleading, non-descriptiveness, etc).

The SPTO does not carry out an examination of prior rights, although it must communicate the publication of the application to the owners of marks previously registered, in order to give them the possibility of challenging the application for.

6 Use of a trademark and registration

Does use of a trademark or service mark have to be claimed before a registration is granted? Does proof of use have to be submitted? If registration is granted without use, is there a time by which use must begin to maintain the registration?

No claim or proof of use is required prior to registering a trademark. However, the trademark has to be used within five years following the publication of the registration unless there is a valid justification of this non-use (such as import restrictions). The concept of 'use' is construed flexibly, and the following is also considered a valid use:

- the authorised use made by a third party;
- the use of the trademark in a form that differs in elements that do not alter significantly the distinctive nature of the registered one; and
- the use of a trademark solely for exportation purposes.

7 Appealing a denied application

Is there an appeal process if the application is denied?

When an application is denied, the applicant can appeal this decision. The ordinary appeal is filed within a period of one month of the publication of the resolution.

Once this appeal is resolved, an appeal to the higher court against the decision of the SPTO is still possible.

8 Third parties

May a third party oppose registration or seek cancellation of a trademark or service mark? What are the procedures?

Any third party can file an opposition to the registration on the grounds of prior trademark or trade name rights when the trademark applied for is identical or similar, and designates identical or similar goods or services and on the basis of the absolute and relative prohibitions for registration.

The opposition has to be filed before the SPTO within two months of the publication of the application, and shall identify clearly the goods and services to which the opposition refers. In addition, the opposition shall be accompanied by the appropriate evidence. Once an opposition is filed, the SPTO stays the registration proceedings and notifies the applicant of the objections found by the SPTO and the oppositions filed by third parties so that the applicant can file its arguments within a month.

The cancellation of a trademark can be sought pursuant to an expiration action for non-use, for non-payment of the taxes, etc. These actions can be filed by the SPTO and by any individual or company that may be affected by the trademark or may have a prior right to it. These actions of invalidity and expiration for non-use can be filed in relation to the whole trademark or part of it.

The invalidity of a trademark must be declared by a court. The expiration of a trademark must also be declared by a court, except if the reason for the expiration is its non-renewal or if it has been given up by the owner. In these two cases, the expiration should be declared by the SPTO. The invalidity action can be based both in absolute and relative prohibitions, while the grounds for the expiration action can be the non-use of a trademark during a five-year period, the non-payment of the corresponding fee, that it has become descriptive or misleading due to the use made by the owner, or that the trademark can lead to error regarding the nature, quality or origin of the goods or services.

9 Duration and maintenance of registration

How long does a registration last and what is required to maintain a registration?

The registration of the trademark is granted for a period of 10 years, which can be renewed successively for equal periods. The application to renew the trademark shall be filed within the six months prior to the expiration date, although it can be filed within six months of this date with the payment of additional fes.

10 The benefits of registration

What are the benefits of registration?

In general terms, and although notorious and well-known trademarks are also protected under certain circumstances, only registered trademarks enjoy full exclusive protection. Furthermore, registration with the SPTO places on notice of earlier rights to third parties regarding the scope of the trademark and allows the trademark owner to easily evidence its existence through a certification of the SPTO.

The licence and transfer of a trademark to a third party can only be opposed by the registration of the corresponding licence or transfer agreement.

11 Assignment

What can be assigned? Trademark with goodwill? Without goodwill?

All or some of the goods and services? Must other business assets be assigned to make it a valid transaction?

A trademark can be assigned with or without goodwill for all or part of the products and services it designates. There is no requirement for other business assets to be assigned at the same time to make the

assignment valid; it can be transferred or licensed independently from the transfer of the total or part of the business. However, unless there is an express agreement to the contrary, the transfer of a company will imply the transfer of its trademarks.

12 Assignment documentation

What documents are required?

The documentation to be submitted to file the application includes an application form with information regarding the trademark, the assignee or licensee, the assignor or licensor, a power of attorney, the document pursuant to which the trademark is licensed or assigned, as well as a justification of the corresponding fee declaration (and payment, if required).

13 Validity of assignment

Must the assignment be recorded for validity?

Although unregistered assignments or licences are valid (and binding inter partes), they are not binding before third parties unless registered with the SPTO. Furthermore, only registered licensees or assignees are allowed to legitimately pursue infringement actions against third parties.

14 Security interests

Are security interests recognised?

Security interests are recognised but they should also be registered, in order to be put up against third parties..

15 Markings

What words or symbols can be used to indicate trademark use or registration? Do these words or symbols have to be used? What are the benefits of using them and the risks of not using them?

It is not compulsory to indicate that a trademark is used or registered for it to be valid in Spain. However, symbols such as '*marca registrada*' or ® are usual and recommended (when the trademark is registered). Neither is marking the trademark mandatory to obtain damages in trademark infringement cases.

16 Trademark enforcement proceedings

What types of legal or administrative proceedings are available to enforce trademark rights against an infringer, apart from previously discussed opposition and cancellation actions? Are there specialised courts or other tribunals? Is there any provision in the criminal law regarding trademark enforcement?

Apart from the opposition and cancellation actions previously mentioned, the trademark owner can pursue both civil and criminal proceedings to enforce its trademark rights.

Civil actions related to trademark rights (infringement and cancellation actions, entitlement claims, compensation damages and the interim injunction measures to which we refer in the question 21) are subject to the jurisdiction of specialised commercial courts.

The Criminal Code introduces specific provisions against counterfeiters. When dealing with criminal claims, the criminal courts can either impose fines as well as punishments of imprisonment of up to four years. A criminal claim before the criminal courts can be filed jointly with an action seeking civil compensation and relief for the infringement of the trademark.

Furthermore, the customs authorities are authorised to keep in custody the merchandise under suspicion of violation of industrial property rights.

Update and trends

On 5 June 2006, Law No. 19/2006 introduced the provisions derived from the Directive 2004/48/EC on the enforcement of intellectual property rights in Spain. The scope of such provisions shall not be settled until the Supreme Court starts issuing the corresponding resolutions in this matter. However, the opinion of some Spanish authors and a few decisions already issued by Spanish first- and second-instance courts lead us to think that the implementation of such Directive has resulted, essentially, in a considerable widening of the legal measures for obtaining, confirming and securing evidence prior to and during the initiation of civil proceedings for trademark and patent infringements. As an example, the third section of the Granada

Court of Appeals issued a resolution on 27 April 2007 requesting the legal representative of a potential infringer, as a preliminary measure, to show to the plaintiff those commercial documents and advertisements pursuant to which the potential and alleged trademark infringement had occurred. We will see how these measures are developed in subsequent years, but we understand it would not be unrealistic to say that Law No. 19/2006 has resulted in a step forward in the approach to the pre-litigation measures available in Spain to obtaining evidence that lies under the control of the defendant, compared to those available in common-law jurisdictions where discovery plays an essential role in the preparation of litigation.

17 Procedural format and timing

What is the format of the infringement proceeding? Is discovery allowed? Live testimony? Experts? Who decides the case? How long does the proceeding typically last? If there is a criminal enforcement mechanism, what is that procedure?

Civil court proceedings in Spain are usually initiated through a lawsuit where all the facts, arguments and written evidence at stake should be described in detail. This writ is delivered to the defendant who has 20 business days to reply (and, if appropriate, to counterclaim). The judge then summons the parties to a preliminary hearing where the essential points of the case are determined and the evidence of both parties requested. After this, the judge sets the main hearing, where the depositions and interrogatories will take place. The first-instance judgment is usually issued anywhere up to a year after the filing of the lawsuit. The first-instance decision can be appealed and at this second stage, it usually takes over a year as well to reach a resolution.

Discovery, as understood in Anglo-Saxon jurisdictions, is not allowed in Spain, although there are ways of obtaining evidence under the exclusive control of the defendant prior to initiating the main court proceedings (see answer to question 21). In intellectual property matters the experts play an essential role (in trademark cases, his or her report is usually very important in supporting arguments such as distinctiveness, likelihood of confusion, etc) and it is also common to use polls determining the opinion of consumers (as to the likelihood of confusion).

Contrarily to the civil proceedings, criminal ones do not require that all the facts and arguments at stake be placed by the plaintiff at the time the lawsuit is filed. Criminal proceedings only require that the suspected infringement be initially described and reported so that (as long as the judge admits the lawsuit *ab initio*) a stage of evidence gathering is opened, where the public prosecutor and the judge, helped by the police, play an important role in the investigation of the facts. During the course of the proceedings, further arguments by the plaintiff are allowed. Criminal proceedings are usually only used in counterfeiting cases.

18 Burden of proof

What is the burden of proof to establish infringement or dilution?

The burden of proof is on the plaintiff on civil cases, who has to prove the infringement as well as damages. However, the Law on Civil Procedure provides that the judge has to take into account the availability and access to evidence that each party has in order to balance this burden of proof. In criminal proceedings, there is an important difference in the fact that the judge conducts the investigation in order to establish the potential infringement under the presumption of innocence principle, but certainly still taking into account the requests applied for by the plaintiff.

19 Standing

Who may seek a remedy and under what conditions? Who has standing to bring a criminal complaint?

The trademark owner as well as the co-owner is entitled to bring an action for infringement or dilution. The exclusive licensees can also file it unless the licence agreement forbids so. The non-exclusive licensees and the licensees that are not contractually allowed to file a claim might require the trademark owner, via notary public, to bring an infringement action and, if not brought within three months, the licensee itself can file it. In accordance with article 101 of the Act on Criminal Procedure, criminal action is a public action.

20 Foreign activities

Can activities that take place outside the country support a charge of infringement or dilution?

Since trademarks are territorial rights, the Spanish courts do not generally look at the activities that take place outside the country to support a charge of infringement or dilution within Spanish territory (notwithstanding the psychological influence that a foreign judgment regarding same marks can have in Spanish judges). However, it is possible for customs to detain an infringing product coming from abroad, which is to be introduced into Spain.

21 Discovery

What discovery devices are permitted for obtaining evidence from an adverse party, from third parties, or from parties outside the country?

There is no discovery process in Spain. However, Spanish law offers diverse solutions to obtain part of the information and evidence under the control of the defendant and the objects on which the litigation is based, even prior to the filing of the lawsuit. However, this requires, unlike the discovery process, the intervention of a judge who will consider if the measures are adequate, have a good cause and a legitimate interest. These solutions can be preliminary measures (according to the implementation in Spain of the Directive 2004/48, it is possible to prepare the litigation by obtaining information and data on the names and addresses of distributors and suppliers on the commercial sale, the names and addresses of the wholesaler and retailer to whom it is being distributed, information on specific data regarding the products distributed, and the exhibition of bank, financial and commercial documents), search and seizure (*Anton Piller*) orders, and even a request to anticipate the court evidence means that should usually be done once the main proceedings have started.

22 Timing

What is the typical time frame for an infringement or dilution action, at the trial level and on appeal?

It takes approximately one year to have a resolution rendered at the first-instance level and approximately 12 to 15 months at the second instance.

23 Litigation costs

What is the typical range of costs associated with an infringement or dilution action, including trial preparation, trial and appeal?

Litigation costs usually depend on the time spent and the amount involved in the proceedings. As an example, the Barcelona Bar Association provides a guiding scale that recommends to invoice €13,800 (without including expenses) if the amount involved in the proceedings is of approximately €100,000. The fees of the court agent should also be taken into account: the said amount should be approximately €800.

In addition to the above, the survey or opinion poll sometimes recommended is also a cost big enough to be considered, and it will depend on the territorial and substantive scope of the poll.

In relation to who shall bear the costs of the proceedings, the court shall order the losing party to pay the legal costs of the proceedings, unless the judge considers that the case presented serious factual or legal doubts.

24 Appeals

What avenues of appeal are available?

The judgments rendered by civil and criminal courts can be appealed. The decision at first instance is reviewed, although no new arguments, evidence or facts can be submitted except in very limited circumstances (for instance, new facts occurred after the initiation of the proceedings). At the appeal level stage, there will be no hearing unless any of the parties requires so and, still, it will be discretionary for the court to admit this hearing; however, if additional evidence is admitted – which may only take place in very limited circumstances – then almost certainly the Court of Appeal will allow a hearing to evaluate this new evidence by the parties).

Once the appeal decision is rendered by the civil or criminal court, an appeal is still possible before the Supreme Court in certain circumstances. The Supreme Court shall only decide upon the interpretation and application of Spanish law; the appreciation of the factual circumstances made by the first-instance and appeal courts shall not be reviewed by the Supreme Court unless it is absolutely irrational or illogical.

25 Defences

What defences are available to a charge of infringement or dilution?

The usual defences are those used for a charge of infringement or dilution of a Community trademark: no likelihood of confusion, different goods or services, the invalidity of the trademark of the plaintiff, the non-use of the trademark, the exhaustion of the trademark or tolerance. It is not possible to argue that the defendant did not know the existence of the trademark registration.

26 Remedies

What remedies are available to a successful party in an action for infringement or dilution? How is monetary relief apportioned? Is injunctive relief available, preliminarily or permanently, and in what circumstances and under what conditions? What criminal remedies exist?

The trademark-holder can request the cessation of the acts violating its rights, adoption of the necessary means to avoid future violation, the attribution of the property of the infringing products, the destruction of the infringing goods, the publication of the sentence on costs of the infringer and compensation for the damages suffered. The compensation for damages shall include lost profits and unfair profits made by the infringer. The trademark owner will also be entitled to claim the damages caused to the goodwill of the trademark, as well as the costs of the investigation in the judicial procedure in order to prove the infringement.

In order to calculate the compensation for damages, it shall be taken into account, as set forth in article 13 of the Directive 2005/48/EC, the negative economic consequences or the royalty fees that should have been paid.

The owner of a trademark that has been infringed will have, in any event, the right to obtain as compensation 1 per cent of the turnover obtained with the infringing products.

Usually, criminal complaints will be accompanied with a civil action claiming the monetary relief to be calculated as mentioned in the preceding paragraphs.

27 ADR

Are ADR techniques available and commonly used? What are the benefits and risks?

ADR techniques are available but not very commonly used except when the litigation comes from a dispute regarding a licence agreement. The benefits of ADR techniques are the confidentiality and the fastness of the proceedings.



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