



Trademark Law

(Law No. 32/1988, of November 10, 1988)*

TABLE OF CONTENTS**

		<i>Sections</i>
Title I	General Provisions	1 to 10
Title II	Prohibitions on Registration	
Chapter I	Absolute Prohibitions	11
Chapter II	Relative Prohibitions.....	12 to 14
Title III	Registration Procedure.....	15 to 29
Title IV	Content of Trademark Rights	
Chapter I	Effects of a Trademark Registration and the Application Therefor.....	30 to 34
Chapter II	Actions for Infringement of Trademark Rights.....	35 to 40
Chapter III	A Trademark as an Object of Proprietary Rights	41 to 46
Title V	Invalidity and Lapse	
Chapter I	Invalidity.....	47 to 50
Chapter II	Lapse and Renunciation	51 to 55
Chapter III	Common Provisions.....	56 and 57
Title VI	Collective and Certification Marks	
Chapter I	Collective Marks	58 to 61
Chapter II	Certification Marks	62 to 64
Chapter III	Common Provisions.....	65 to 72
Title VII	International Trademarks	73 to 75
Title VIII	Trade Names and Business Signs	
Chapter I	Trade Names	76 to 81
Chapter II	Business Signs	82 to 86
Title IX	Unfair Competition	87 to 89
Additional Provisions		
Transitional Provisions		
Repealing Provision		
Final Provisions		

TITLE I GENERAL PROVISIONS

1. A trademark shall be construed as any sign or device that distinguishes or serves to distinguish in the marketplace the goods or services of one person from identical or similar goods or services of another person.

2. The following signs or devices in particular may constitute trademarks:

- (a) words or combinations of words, including those that serve to identify persons;
- (b) images, figures, symbols and logotypes;
- (c) letters, numerals and combinations thereof;

* *Spanish title:* Ley 32/1988, de 10 de noviembre, de Marcas.

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Source: *Boletín Oficial del Estado*, November 12, 1988, No. 272, pp. 32238 *et seq.*

Note: In preparing the English translation of this Law, reference was made to the translation prepared by the firm of Sres. Elzaburu, Madrid.

** Added by WIPO.

- (d) three-dimensional forms, including wrappers, containers, the shape of a product or its get-up;
- (e) any combination of the signs or devices mentioned by way of example in the preceding subparagraphs.

3.—

(1) The rights in a trademark shall be acquired through registration made validly in accordance with the provisions of this Law.

(2) Nevertheless, the user of an earlier trademark well known in Spain to the interested sectors may apply to the courts for the invalidation of a trademark registered for identical or similar goods that might cause confusion with the well-known trademark, provided that he brings the action before five years expire from the date of publication of the grant of registration of the trademark, except where it had been applied for in bad faith, in which event there shall be no statute-barring of the invalidation action. The said user shall at the same time file the corresponding application for registration of his trademark. The prosecution of that application shall, however, be held in abeyance until the decision becomes *res judicata*.

(3) If registration of a trademark is applied for in violation of the rights of a third party or in breach of a legal or contractual obligation, the aggrieved party may claim the ownership of the trademark, provided that he brings the appropriate action claiming such ownership before the date of grant or within a maximum period of five years from the date of publication of the grant.

4.—

(1) If within a period of five years from the date of publication of the grant thereof, no use is made of a trademark in Spain in connection with the goods or services for which it was registered, or if such use is suspended for an uninterrupted period of five years, the trademark shall be subject to the sanctions provided for in this Law, unless there are reasons justifying the non-use.

(2) For the application of paragraph (1), the following shall also be considered use:

(a) use of the trademark in a manner differing in elements that do not significantly alter the form in which the trademark is registered;

(b) use of the trademark in Spain in connection with goods or services intended for export.

(3) A trademark shall be deemed used by its proprietor when it is used by a third party with the former's express consent.

(4) The use of a trademark in connection with a given product or service shall serve to confirm such use vis-à-vis goods or services of the same class of the International Classification, or similar goods or services, or goods or services for which use of the same trademark by a third party could give rise to the risk of association, by consumers, of the origin of the various goods or services.

5. The registration of a trademark is granted for 10 years from the filing date of the application and may be renewed indefinitely, for further 10-year periods, provided the requirements laid down in Section 7 are met.

6.—

(1) To keep a trademark registration in force, its proprietor must pay the corresponding five-yearly fees.

(2) For payment purposes, the due date for each five-yearly fee shall be, as appropriate, that specified for the first such fee in Section 29(2) of this Law and, for the second, the last day of the month corresponding to the fifth anniversary of the filing date of the initial application for registration, and in the latter case the corresponding payment may be validly made within one month from that date.

(3) On expiration of the period for payment of the five-yearly fee without the amount thereof having been paid, it may be paid with a surcharge of 25% within the first three months and of 50% within the following three, up to a maximum delay of six months.

7.—

(1) A trademark registration shall be renewed, provided that the renewal fee is paid, at the request of the proprietor of the trademark or his successors in title, who must prove that status with a public instrument.

(2) The request for renewal of a trademark registration must be accompanied by a declaration, in a public instrument, of use of the trademark, with an indication of the goods or services in relation to which it has been used.

(3) The application shall be filed and the fee shall be paid during the six months preceding the expiration of the registration. Failing that, it may still be validly done within six months following the expiration of the registration, subject to payment, at the same time, of a surcharge of 25% of the fee if payment is made during the first three months and of 50% if it is made within the following three.

(4) If the request for renewal concerns only part of the goods or services for which the trademark was registered, the registration shall be renewed only for the goods or services in question.

(5) The renewal, which shall be recorded in the Register of Trademarks, shall come into effect on the day following the date of expiration of the corresponding 10—year period.

(6) Once renewal has been granted, notice thereof shall be published in the *Boletín Oficial de la Propiedad Industrial* (Bulletin of Industrial Property) and a certificate shall be issued upon payment of the corresponding charge and of the next five-yearly fee as mentioned in Tariff 2, item 2.2 of Law No. 17/1975, of May 2, 1975, on the creation of the Registry of Industrial Property as an autonomous body. Payment of the said charges and fees shall conform to the provisions of Section 29(2), (3) and (4) of this Law.

In the event of failure to pay the fees provided for in Section 29 of this Law, it shall be considered that the application for renewal has been withdrawn.

8.—

(1) A trademark shall not be amended on the Register either during its currency or at the time of its renewal. Nevertheless, if the trademark includes the proprietor's name and address, any amendment thereto that does not substantially affect the identity of the trademark as originally registered may be recorded at the request of the proprietor, on payment of the corresponding fee.

(2) The amendments mentioned in the preceding paragraph shall be published in the *Boletín Oficial de Propiedad Industrial* and any third party who considers himself prejudiced by the amendment may appeal.

9.—

(1) Trademarks applied for by the proprietor of one registered previously for identical goods or services and displaying the same principal distinctive feature, with variations that are not substantial or relate to its secondary elements, shall be registered as “derived trademarks.”

(2) Derived trademarks shall be processed in accordance with the procedure established in Title III of this Law; however, the examination of the prohibitions specified in Sections 11, 12 and 13 shall refer only to the variations in the principal distinctive feature or those relating to its secondary elements.

10.—

(1) In accordance with the provisions of this Law, registration of trademarks may be obtained by natural persons or legal entities of Spanish nationality and foreign natural persons or legal entities that usually reside or have a real and effective industrial or commercial establishment on Spanish territory or enjoy the benefits of the Paris Convention for the Protection of Industrial Property of March 20, 1883, in accordance with the provisions of the Act of the said Convention that is in force in Spain.

(2) In accordance with the provisions of this Law, the registration of trademarks may also be obtained by foreign natural persons or legal entities not covered by the preceding paragraph, provided that the State of which they are nationals allows natural or legal persons of Spanish nationality to register trademarks in accordance with its legislation.

(3) Natural persons or legal entities of Spanish nationality and foreign natural persons or legal entities having the nationality of any of the countries of the Paris Union or, while not having any such nationality, are domiciled or have a real and effective industrial or commercial establishment on the territory

of any of the countries of the said Union, may invoke in their favor the provisions contained in the Act of the aforesaid Paris Convention that is in force in Spain in all cases where those provisions are more favorable to them than the rules laid down in this Law.

TITLE II PROHIBITIONS ON REGISTRATION

Chapter I Absolute Prohibitions

11.—

(1) In addition to those signs or devices that may not be used as trademarks under Section 1 of this Law, the following may not be registered as trademarks:

(a) those consisting exclusively of signs that are generic for the goods or services that they seek to identify;

(b) those consisting exclusively of signs or of indications that have become customary or usual to designate the goods or services in everyday language or in *bona fide* and established trade practice;

(c) those consisting exclusively of signs or of indications that may serve in trade to designate the kind, quality, quantity, intended purpose, value, geographical origin, time of production of the goods or rendering of the services, or other characteristics of the goods or services;

(d) shapes that may be necessitated by technical factors or by the nature of the goods themselves or factors that affect their intrinsic value;

(e) those that are contrary to the law, public policy or accepted principles of morality;

(f) those that may mislead the public, particularly as to the nature, quality, characteristics or geographical origin of the goods or services;

(g) color in itself, which may, however, be registered provided it is defined by a given form;

(h) those that reproduce or copy the name, coat of arms, flag, decorations or other emblems of Spain or its Autonomous Communities, municipalities, provinces or other local entities, unless with due authorization; in any event, they may only be a secondary principal distinctive sign;

(i) those that have not been authorized by the competent authorities and should be refused under Article 6ter of the Act of the aforesaid Paris Convention that is in force in Spain; they may only be a secondary element of the principal distinctive sign;

(j) those that reproduce or copy the official warranty signs and hallmarks adopted by Spain or by any other State, unless with due authorization.

(2) Paragraph (1)(c) shall not apply where the trademark has become distinctive in relation to the goods or services for which registration is requested as a result of the use that has been made of it.

(3) Various signs among those mentioned in paragraph (1)(a), (b) and (c) may be registered in combination as a trademark if the said combination complies with Section 1 of this Law.

Chapter II Relative Prohibitions

12.—

(1) The following signs or devices may not be registered as trademarks:

(a) those that, because they are identical or phonetically, visually or conceptually similar to an earlier trademark application or registration designating identical or similar goods or services, may lead to confusion in the marketplace or give rise to a risk of association with the earlier trademark;

(b) those that may lead to confusion in the marketplace because they are identical or phonetically, visually or conceptually similar to an earlier trade name application or registration designating activities related to the goods or services for which the trademark is filed;

(c) those that are identical to an earlier business sign applied for or registered to designate the same activities as the goods or services for which the trademark is filed.

(2) However, a trademark that is similar to an earlier trademark or trade name application or registration for identical or similar goods, services or activities may be registered where the applicant submits authentic written consent from the proprietor of the earlier registration and, if necessary, the appropriate steps are taken to prevent the risk of confusion.

13. The following may not be registered as trademarks:

(a) the name, surnames, pseudonym or any other identification of the applicant for registration of the trademark, whenever they come under any of the prohibitions contained in Section 12;

(b) the legal name or image that identifies a person other than the applicant for the trademark, or the name, surname, pseudonym or any other device which, for the public at large, may identify a person other than the applicant, unless with due consent; these signs shall in any event be subject to all the other prohibitions contained in this Law;

(c) signs or devices that constitute a misappropriation of the reputation of other registered signs or devices;

(d) signs or devices that reproduce or imitate creations protected by an industrial or other intellectual property right, unless with the due consent of the holder of those rights.

14.—

(1) The agent or representative of a third party who is the proprietor of a trademark in another country of the Paris Union may not, unless he justifies his action, register that mark in his name without the proprietor's consent.

(2) Subject to the time limits and conditions specified in Sections 3, 26 and 48 of this Law, the proprietor of the trademark may either oppose the application filed by his agent or representative or, if the mark has been granted, apply for a declaration of invalidity thereof or claim ownership of the trademark or the trademark application.

TITLE III REGISTRATION PROCEDURE

15.—

(1) Both applications for the registration of trademarks and the grant of such registrations shall be recorded in the Register of Trademarks kept at the Registry of Industrial Property in accordance with the provisions of this Law and in the manner laid down by regulation.

(2) An application for registration of a trademark may be filed directly at the Registry of Industrial Property, where, at the time of its receipt, it shall be assigned a number, and the day, hour and minute of its filing shall be recorded.

(3) It may also be filed at the Provincial Directorates of the Ministry of Industry and Energy, unless competence for the execution of industrial property matters belongs to the Autonomous Community, whose bodies shall in that event be competent to receive the documentation. In such circumstances the administrative department that has received the application shall make a record of the day, hour and minute of its filing and shall forward it to the Registry of Industrial Property.

Applications may further be filed at a Post Office in an unsealed envelope, by registered mail with prepaid acknowledgment, addressed to the Registry of Industrial Property. The day, hour and minute of their filing shall also be recorded. If the Post Office fails to record the hour and minute, the last hour of the day of filing shall be assigned to the application.

An application filed at any of the aforementioned administrative departments shall have the same effects as one filed at the Registry of Industrial Property.

16.—

- (1) The registration of a trademark shall require the filing of an application, which must contain:
 - (a) a request in triplicate addressed to the Director of the Registry of Industrial Property;
 - (b) a description of the trademark in duplicate;
 - (c) in the case of trademarks containing figurative elements, suitable prints for the reproduction thereof;
 - (d) all other documents to be specified by regulation.
- (2) The application shall be filed together with the receipt evidencing payment of the fee laid down for the filing of the application.
- (3) Both the application and all other documents to be filed at the Registry of Industrial Property must be written in Spanish. In Autonomous Communities where there is also another official language, the documents may be written in the other language as well as in Spanish.

17.—

- (1) The application seeking registration of a trademark must be addressed to the Director of the Registry of Industrial Property and be signed by the applicant or his representative, in which event the provisions of Title XV of the Patent Law¹ shall be applicable.
- (2) In addition to those specified by regulation, the application shall, where appropriate, contain the following particulars:
 - (a) if a foreign priority is claimed, it must contain a statement to that effect, with an indication of the priority date and the country in which the right was acquired;
 - (b) if the trademark has been used at official or officially recognized exhibitions, that circumstance shall be stated in order that the priority provided for in Section 23 of this Law may be secured;
 - (c) in the case of derived trademarks, the number of the principal mark shall be stated;
 - (d) the name and professional address of the industrial property agent, if any. In that event, an authorization signed by the interested party shall be filed.

18. The description shall contain at least the following information:

- (a) the identity of the applicant;
- (b) the date on which registration of the trademark is applied for and an indication of any priority claimed;
- (c) a reproduction of the sign or device applied for as a trademark;
- (d) a brief but detailed description of the sign or device with the elements forming it, which may exclude from the protection sought elements covered by any of subparagraphs (a), (b) or (c) of Section 11(1) of this Law;
- (e) a clear list of the goods or services on which the trademark applied for is to be used, indicating the class of the International Classification to which they belong.

19.—

- (1) An application for registration of a trademark may not relate to more than one class of goods or services of the International Classification established by the Nice Agreement of June 15, 1957.
- (2) If the proprietor of a trademark registration in force wishes to extend the coverage of his mark to include any other goods or services included in the same class of the International Classification, he shall seek such extension in a new application, which shall retain the number of the earlier one and shall be processed in accordance with the procedure laid down in this Law for new applications.

¹ See *Industrial Property Laws and Treaties*, SPAIN - TEXT 2—001 (*Editor's note*).

20.—

(1) Any duly filed application for registration of a trademark shall generate a right of priority on the day, hour and minute at which it was filed.

(2) For the purposes of the preceding paragraph, the filing date of the application shall be that of the moment at which the applicant delivers to the public office authorized to receive them under the provisions of Section 15, the following documents:

- (a) a declaration stating that registration of a trademark is applied for;
- (b) the identity of the applicant;
- (c) the name of the trademark when it is simply a word mark, or a representation thereof if it is a figurative or composite mark;
- (d) the goods or services to which the trademark will be applied.

(3) However, should the applicant make any correction amounting to an amendment to the design of the trademark before the application is published in the *Boletín Oficial de Propiedad Industrial* pursuant to Section 25, priority shall be counted as from the day, hour and minute that the amendment was applied for.

The amendment shall be applied for in writing, against payment of the corresponding fee.

21.—

(1) Any person who has duly filed an application for registration of a trademark in any of the countries of the International Union for the Protection of Industrial Property or his successors in title shall enjoy, for the filing in Spain of an application for the same trademark, the right of priority provided for in Article 4 of the Act of the Paris Convention for the Protection of Industrial Property of March 20, 1883, that is in force in Spain.

(2) The same right of priority as is mentioned in the preceding paragraph shall belong to the person who has filed a first application for protection of a trademark in a country which, while not belonging to the International Union for the Protection of Industrial Property, recognizes for trademark applications filed in Spain a right of priority with effects equivalent to those provided for in the aforesaid Paris Convention.

22.—

(1) An applicant who wishes to claim the priority of an earlier application shall file a copy of the earlier application, certified by the office of the country of origin, which shall clearly state the date on which the application was made and the goods or services covered, and shall include a reproduction of the distinctive sign applied for as a trademark. The priority claim shall entail payment of the corresponding fee.

(2) In the case mentioned in the preceding paragraph, the applicant shall file the certified copy within three months from the filing date of the application for registration of the trademark. If he does not do so, the priority claim shall be deemed withdrawn and the application shall be assigned the priority accruing to it according to the date, hour and minute of its filing.

(3) If priority is claimed for a trademark used at an official or officially recognized exhibition, a mention shall be made of the document attesting this fact, which shall be on file at the Registry of Industrial Property and shall identify the distinctive sign and goods or services on which it was used.

(4) In the case mentioned in the preceding paragraph, the applicant shall file the formal application within a period not exceeding six months from the date stated in the document issued at the exhibition. If he does not do so within that period, the priority shall be deemed withdrawn and the procedure shall be as in the second sentence of paragraph (2).

23. A trademark that has been used to designate goods or services displayed at an official or officially recognized exhibition without having yet been applied for shall enjoy the right of priority corresponding to the date on which the goods or services were admitted to the exhibition, provided that the application for registration of the trademark is filed within six months from the said date.

24.—

(1) The Registry of Industrial Property shall examine whether the application filed meets the formal requirements established in this Law. The applicant shall be notified of any irregularities observed in

the application, so that he may remedy them within one month. If the irregularities are not remedied within that time, the application shall be regarded as not filed; the decision shall be published in the *Boletín Oficial de la Propiedad Industrial*.

(2) The Registry of Industrial Property shall also examine whether the application for registration of the trademark takes undue advantage of situations, facts or signs in a manner constituting a violation of the legal system.

If it does, the Registry of Industrial Property may suspend publication of the application, notifying the applicant accordingly so that he may submit appropriate rebuttals within one month.

If the Registry of Industrial Property considers that the defects mentioned in the two preceding paragraphs have been remedied, it shall publish the application and its processing shall continue. Otherwise, the application shall be rejected.

25.—

(1) An application for registration of a trademark that meets the requirements of form laid down in this Law, or whose irregularities have been remedied, shall be published in the *Boletín Oficial de la Propiedad Industrial*.

(2) The publication of the application must contain the following particulars:

- (a) name and address of the applicant or applicants;
- (b) filing date and, where applicable, priority date;
- (c) a clear reproduction of the sign or device for which registration as a trademark is sought;
- (d) a list of goods or services, with an indication of the class of the International Classification.

26.—

(1) Any interested party who considers himself prejudiced may oppose an application for registration of a trademark.

(2) The opposition shall be filed in writing with the Registry of Industrial Property, within two months following publication of the application for registration of the trademark in the *Boletín Oficial de la Propiedad Industrial*, and shall be subject to payment of the corresponding fee.

27.—

(1) On expiration of the time limit for the filing of oppositions, irrespective of whether or not any have been filed, the application shall be examined *ex officio* by the trademarks examiner to whom the case has been assigned, and the prohibitions laid down in Sections 11, 12 and 13 under which it may fall shall be specified.

(2) When no oppositions have been filed and the examination conducted shows that the application does not fall under the prohibitions laid down in Section 13(d) of the Law, the examiner to whom the case has been assigned shall propose the grant of the trademark applied for.

(3) If oppositions are filed or if any objections are raised by the Registry, the suspension of processing shall be ordered, and a notice shall be published in the *Boletín Oficial de la Propiedad Industrial* announcing the opposition or the objections raised by the Registry, so that the applicant may submit a rebuttal within one month following publication of the suspension in the *Boletín Oficial de la Propiedad Industrial*.

(4) In contesting the suspension the applicant may amend the trademark, either by limiting the goods or services that were applied for originally or by deleting from the trademark as a whole the element that gave rise to the suspension provided that such deletion does not substantially alter the trademark as applied for. These amendments shall be subject to payment of the corresponding fee.

28.—

(1) On expiration of the time limit set for contesting the suspension, irrespective of whether or not the interested party has contested it, the grant or rejection of the trademark registration shall be proposed as the case may be, and the application shall be settled by a reasoned decision, which in the event of rejection shall specify the grounds and registrations that caused it.

29.—

(1) The decision rejecting or granting registration of the trademark shall be published in the *Boletín Oficial de la Propiedad Industrial*.

(2) When registration of the trademark is granted, the certificate shall be issued, on payment of the corresponding charge and of the first five-yearly fee within one month from publication of the notice of grant in the *Boletín Oficial de la Propiedad Industrial*.

(3) On expiration of the term for payment of the fees mentioned in the preceding paragraph without the amount thereof having been paid, they may still be validly paid, subject to payment at the same time of a surcharge of 25% of the fee if the payment is made during the first three months and of 50% if it is made within the following three.

(4) If the aforementioned fees are not paid, it shall be considered that the application has been withdrawn.

TITLE IV CONTENT OF TRADEMARK RIGHTS

Chapter I Effects of a Trademark Registration and of the Application Therefor

30. The registration of a trademark confers on its proprietor the exclusive right to use it in trade. In particular, the proprietor may designate the corresponding goods or services with the trademark, place on the market, duly identified therewith, the goods or services for which the registration has been granted, and use the trademark for advertising purposes.

31.—

(1) The proprietor of a registered trademark may bring actions under Section 35 of this Law against third parties who, without his consent, use an identical or similar trademark or sign in trade to designate identical or similar goods or services, when the resemblance of the signs and the similarity of the goods and services may be misleading.

(2) When the circumstances mentioned in the preceding paragraph obtain, the following in particular may be prohibited:

(a) affixing the sign to the goods or to their get-up;

(b) offering the goods, marketing them or stocking them for that purpose or offering or rendering services under the sign;

(c) importing the goods, exporting them or subjecting them to any other customs procedure, such as transit or deposit;

(d) using the sign on business papers and in advertising.

(3) The proprietor of a registered trademark may prevent traders or distributors from removing that trademark without his express consent, although he may not prevent them from adding separate trademarks or distinctive signs of their own.

32.—

(1) The right conferred by a trademark registration shall not permit its proprietor to prohibit third parties from using it for goods placed on the market in Spain under that trademark by the proprietor or with his express consent.

(2) The preceding paragraph shall not apply when there are legitimate reasons justifying an objection by the proprietor to the further commercialization of the goods, particularly when the characteristics thereof have been changed or altered after they have been placed on the market.

33.—

(1) Provided that it is done in good faith and does not constitute use as a trademark, third parties may, without the consent of the proprietor of the registered trademark, use in the course of trade:

(a) their full name and address;

(b) indications relating to the kind, quality, quantity, intended purpose, value, geographical origin or time of production of the product or of supply of the service, or other characteristics thereof.

(2) The proprietor of a trademark registration may not prohibit third parties from using the trademark when it is necessary to indicate the intended purpose of a product or of a service, particularly in the case of accessories or spare parts, provided that such use is made in a manner consistent with fair practice in industrial or commercial matters.

(3) Use of an indication of geographical origin shall not be permitted when it corresponds to or may be confused with a collective trademark and the indication in question can be replaced with another providing sufficient identification of the origin.

34.—

(1) The right conferred by a trademark registration may only be asserted against third parties from the time of its grant, except under the circumstances provided for in Section 26. Nevertheless, an application for registration of a trademark confers on the applicant, as from the date of its publication, provisional protection consisting of the right to reasonable compensation appropriate to the circumstances, which may be demanded of any third party who, between that date and the date of publication of the grant, may have made a use of the trademark that would be prohibited after that period.

(2) An application for registration of a trademark is deemed never to have had the effects provided for in the preceding paragraph when it has been withdrawn or considered withdrawn, or when it has been rejected by virtue of a final decision.

Chapter II

Actions for Infringement of Trademark Rights

35. The proprietor of a registered trademark may bring before the judicial authorities the appropriate civil or criminal actions against those who infringe his rights, and demand the necessary measures for the safeguarding of those rights.

36. In particular, the proprietor whose trademark right is infringed may apply for the following in civil proceedings:

(a) cessation of the acts infringing his right;

(b) compensation for the damages sustained;

(c) the adoption of the necessary measures to prevent continuation of the infringement and, in particular, the withdrawal from the market of the goods, packaging, wrappers, advertising material, labels or other documents by means of which the infringement of the trademark right was committed;

(d) publication of the decision at the expense of the condemned party, in announcements and notifications to the persons concerned. This measure shall be applicable only when specifically ordered in the decision.

37. All those who commit any act that infringes a registered trademark shall be obliged to compensate for the damage caused if they have been formally notified by the proprietor of the trademark of the existence thereof, with appropriate identification, and of the infringement, with the requirement that they refrain therefrom, or if there has been fault or negligence on their part.

38.—

(1) Compensation for damages shall comprise not only the losses sustained, but also the profits that the proprietor of the trademark registration no longer earned on account of the infringement of his rights.

(2) The amount of the lost profits shall be determined, at the discretion of the prejudiced party, according to one of the following criteria:

- (a) the profits that the proprietor would have earned from the use of the trademark if the infringement had not occurred;
- (b) the profits that the infringer earned as a result of the infringement;
- (c) the price that the infringer would have had to pay the proprietor for the grant of a license to use the trademark lawfully.

(3) The notoriety and prestige of the trademark and the number and kind of licenses granted at the time at which the infringement began shall be taken into account for the assessment of the damages.

(4) Damages may only be claimed in relation to acts of infringement committed during the five years preceding the date on which the corresponding action is brought.

39. Civil actions for infringement of trademark rights shall be statute-barred after five years, counted from the day on which they could have been brought.

40. The provisions of Title XIII of Law No. 11/1986, of March 20, 1986, on Patents shall apply to all aspects which are not incompatible with the actual nature of trademarks. In particular, Section 128 of the said Patent Law shall not be applicable to trademarks.

Chapter III

A Trademark as an Object of Proprietary Rights

41.—

(1) Independently of the transfer of the whole or of part of the undertaking, a trademark and an application for registration of a trademark may be assigned in any manner recognized by law.

(2) For the purposes of assignment or encumbrance, an application for registration of a trademark or a trademark already granted is indivisible, although it may be jointly owned by two or more persons.

42.—

(1) Both an application for registration of a trademark and a trademark may be licensed for all or part of the goods or services for which it is registered and for all or part of the Spanish territory. Licenses may be exclusive or non-exclusive.

(2) The rights conferred by a trademark registration or by an application for such registration may be invoked against any licensee who breaches any of the limits of his license as determined by the license agreement or by the provisions of the preceding paragraph.

43. For a trademark assignment or license to have effect vis-à-vis third parties it must be made in writing and recorded on the Register of Trademarks.

44.—

(1) Registration of an assignment or a license shall be requested on a form, accompanied by the supporting public document and a copy thereof, which shall afford proof of payment of the appropriate fees, of exemption therefrom or of non-liability therefor and, if pertinent, of its registration at the corresponding Registry.

(2) The form requesting registration shall state the following details:

- (a) identity of the proprietor of the trademark and of the assignee or licensee;
- (b) identity of the trademark that is the subject of the registration.

(3) A single form may be used to request the registration of the assignment or licensing of two or more trademarks, without any limit on the number, with payment of the corresponding fee for each registration affected.

(4) The assignment or licensing of the principal trademark shall entail that of its derived trademarks, which may not be assigned or licensed separately.

45.—

(1) If any defects are observed in the documentation receipt of a request for registration of an assignment or a license, the registration shall be held in abeyance and the interested party shall be notified accordingly so that he may within two months remedy any defects that have been indicated.

On expiration of that period there shall be no grounds for notifying the persistence of defects in the documentation, and the procedure shall be as indicated in the following paragraph.

(2) The Registry of Industrial Property shall issue a decision granting or rejecting the request for registration, either fully or in part, and the decision shall be published in the *Boletín Oficial de la Propiedad Industrial* with an express mention of the following particulars:

- (a) assignee or licensee;
- (b) case number;
- (c) identity of the registrations affected;
- (d) date of decision;
- (e) industrial property agent if one intervened.

46.—

(1) Independently of the undertaking, trademark may be pledged or be the subject of other real rights. If a trademark is mortgaged, the mortgage shall be regulated by the specific terms thereof and the Registry of Industrial Property shall be notified of its establishment.

(2) A trademark may also be attached, independently of the undertaking, and be the subject of the measures resulting from the execution of the attachment.

(3) For the rights and measures contemplated in the preceding paragraphs to be effective vis-à-vis third parties, they must be recorded on the Register of Trademarks and published in the *Boletín Oficial de la Propiedad Industrial*.

TITLE V INVALIDITY AND LAPSE

Chapter I Invalidity

47.—

(1) A trademark registration shall be cancelled when it is declared in a final decision to be null and void because it contravenes the provisions of Sections 1 and 11 of this Law.

(2) However, when the trademark has been registered in contravention of Section 11(1)(c), it may not be declared null and void if, as a result of the use made of it by its proprietor or with his consent, the trademark became distinctive, after registration, for the goods or services for which it was registered.

(3) There shall be no statute-barring of actions seeking the invalidation of a trademark registered in contravention of the provisions of Sections 1 and 11 of this Law.

48.—

(1) A trademark registration shall be cancelled when it has been declared invalid by a final decision because it is contrary to the provisions of Sections 12, 13 and 14 of this Law.

(2) Actions seeking invalidation of trademarks registered in a manner contrary to the provisions of Sections 12, 13 and 14 shall be statute-barred after five years, counted from publication of the grant of the registration in the *Boletín Oficial de la Propiedad Industrial*, except where registration of the trademark had been applied for in bad faith, in which event there shall be no statute-barring actions.

49. If a trademark registration is declared invalid solely in respect of part of the goods or services for which the trademark was registered, cancellation shall relate only to those goods or services.

50.—

(1) A declaration of invalidity shall imply that a trademark registration was never valid, and it shall be considered that neither the registration nor the application giving rise thereto ever had the effects provided for in Chapter I of Title IV of this Law, to the extent to which invalidity has been declared.

(2) Without prejudice to the damages that might have been awarded if the proprietor of the trademark had acted in bad faith, the retroactive effect of invalidity shall not apply to:

(a) decisions on infringement of a trademark that are *res judicata* and have been put into effect prior to the declaration of invalidity;

(b) contracts entered into prior to the declaration of invalidity, insofar as they have been put into effect before it. Nevertheless, for reasons of equity and if warranted by circumstances, it shall be possible to claim repayment of sums paid under the contract.

(3) Once it is final, a declaration of invalidity of a trademark registration shall be *res judicata* vis-à-vis all persons.

Chapter II

Lapse and Renunciation

51.—

(1) A trademark registration shall be cancelled when its legal term expires without having been renewed in accordance with the provisions of Section 7 of this Law.

(2) A trademark registration shall also be cancelled for failure to pay the corresponding five-yearly fee in due time, and the appropriate surcharge if applicable. When there are real rights or attachments recorded in the Register of Trademarks, cancellation shall not be effected without the holders of those rights or beneficiaries of those attachments being notified of the non-payment and also of the possibility of avoiding cancellation by paying those amounts within the time limit established by regulation.

(3) A trademark registration that has lapsed on any of the grounds mentioned in the preceding paragraphs may be reinstated in accordance with the provisions of Section 117 of Law No. 11/1986, of March 20, 1986, on Patents.

52.—

(1) A trademark registration shall be cancelled when the proprietor submits to the Registry in writing his renunciation of the trademark rights.

(2) If the renunciation relates to only part of the goods or services for which the trademark was registered, the cancellation shall affect only those goods or services.

(3) Renunciation by the proprietor of a trademark concerning which real rights, attachments or licenses are recorded in the Register of Trademarks shall not be accepted without proof of the consent of the holders of the rights recorded.

(4) Renunciation of a trademark shall only have effect once it has been recorded in the Register of Trademarks.

53. The courts shall declare the lapse of a trademark registration and the Registry of Industrial Property shall proceed to cancel it:

(a) when the trademark has not been used in accordance with Section 4 of this Law, in the action seeking a declaration of lapse it shall be for the proprietor of the trademark to show that it has been used in accordance with Section 4 or that there are reasons justifying the non-use; lapse of the trademark may not, however, be declared if, during the period between the expiration of the period provided for in the said Section and the three months prior to the bringing of the action seeking a declaration of lapse, the proprietor of the trademark shows that he has started to make *bona fide* use of it as provided in the said Section;

(b) when, through the action or inaction of its proprietor, it has become the common name in the trade for the product or service in relation to which the trademark was registered;

(c) when, as a result of the use thereof made by the proprietor of the trademark or with his consent in relation to the goods or services for which it is registered, the trademark may mislead the public, particularly as to the nature, quality, characteristics or geographical origin of those goods or services;

(d) when, as a result of an assignment of rights or for other reasons, the proprietor of the trademark no longer meets the conditions laid down in Section 10 of this Law.

54. If the ground for lapse exists in relation to only part of the goods or services for which a trademark is registered, the declaration of lapse shall relate only to the goods or services affected.

55.—

(1) A trademark registration cancelled under Sections 51 and 52 shall cease to have legal effect from the time at which the acts or omissions giving rise to the lapse occurred, without prejudice to publication thereof in the *Boletín Oficial de la Propiedad Industrial*.

(2) A trademark cancelled by virtue of a court decision shall cease to have effect from the time at which the decision becomes final.

Chapter III Common Provisions

56. An action seeking a declaration of invalidity or lapse of a trademark registration may be brought by the Registry of Industrial Property or by any person who provides evidence of a legitimate interest.

57. A final decision declaring a trademark registration lapsed or invalid shall be notified either *ex officio* or at a party's request to the Registry of Industrial Property so that the said Registry may proceed immediately with the registration of the cancellation and the publication thereof in the *Boletín Oficial de la Propiedad Industrial*.

TITLE VI COLLECTIVE AND CERTIFICATION MARKS

Chapter I Collective Marks

58. Associations of producers, manufacturers or traders or suppliers of services may apply for registration of collective marks to distinguish the goods or services of their members in the marketplace from the goods or services of those who do not belong to the same association.

59.—

(1) An application for registration of a collective mark shall include regulation for use which, apart from the particulars that identify the association making the application, shall designate the persons authorized to use the mark, the conditions of membership of the association, the conditions governing use of the mark and the reasons for which a member of the association may be prohibited from using the mark.

(2) Failure by the members to comply with the collective mark regulations may be punished by the proprietor of the mark with the prohibition of its use or with other sanctions provided for in the regulations for use.

60.—

(1) The proprietor of a collective mark shall submit any proposal for amendment of the regulations for use to the Registry of Industrial Property. Amendments that do not meet the requirements laid down in Sections 59 and 66(2) of this Law shall be rejected.

(2) Amendments to the regulations for use shall have effect from the time of the registration thereof at the Registry of Industrial Property.

61. A collective mark may not be transferred to third parties, neither may those who are not officially recognized by the association be authorized to use it.

Chapter II Certification Marks

62.—

(1) A certification mark is the sign or device that certifies the common characteristics, particularly the quality, components and origin, of the goods or services made or distributed by persons duly authorized and supervised by the proprietor of the mark.

(2) Registration as marks may not be obtained for the appellations of origin regulated in Law No. 25/1970, of December 2, 1970, introducing the Vine, Wine and Alcohol Statute, and complementary standards, which shall be governed in all cases by their own specific provisions.

63.—

(1) An application for registration of a certification mark shall include regulations for use, which shall indicate the quality, the components, the origin or any other characteristics of the goods or services concerned. The regulations for use shall also specify the supervisory measures that the proprietor of the certification mark undertakes to impose and the appropriate sanctions.

(2) The regulations for use must be the subject of a favorable report from the administrative body competent in view of the nature of the goods or services to which the certification mark relates. In the event of an unfavorable report, the application for registration of a certification mark shall be rejected after the applicant has been heard.

(3) Failure by users to comply with the regulations of the certification mark may be punished by the proprietor with revocation of the authorization to use the mark or with other sanctions specified in the regulations for use.

64.—

(1) The proprietor of a certification mark shall submit any proposal for amendment of the regulations for use to the Registry of Industrial Property. Amendments that do not meet the requirements laid down in Sections 63 and 66(2) of this Law shall be rejected.

(2) Amendments to the regulations for use shall have effect from the time of registration thereof at the Registry of Industrial Property.

Chapter III Common Provisions

65. Unless otherwise provided in this Chapter, collective and certification marks shall be subject to the provisions laid down in this Law.

66.—

(1) Signs or devices that fall under the prohibitions specified in Sections 11, 12 and 13 of this Law may not be registered as collective and certification marks, with the exception of those contained in Section 11(1)(c), which shall not be applicable to such marks insofar as they refer to geographical names.

(2) Collective and certification marks that do not comply with the provisions of Sections 58, 59, 62 and 63, or whose regulations for use are contrary to the Law, to public policy or to accepted principles of morality, shall also be refused registration.

67.—

(1) The applicant shall expressly state in the application for registration that the mark applied for is a collective or certification mark.

(2) Collective and certification marks shall be recorded in a special section of the Register of Trademarks.

(3) The regulations of collective or certification marks and subsequent amendments thereto shall be filed at the Registry of Industrial Property for approval.

(4) Any person may examine the regulations of collective or certification marks filed at the Registry of Industrial Property.

68.—

(1) Unless otherwise provided by the regulations for use, actions arising from a collective or certification mark registration may only be brought by the proprietor thereof.

(2) The proprietor of a collective or certification mark may, on behalf of the persons authorized to use the mark, claim indemnification for any damage that they may have sustained as a result of unauthorized use of the mark.

69. The use of collective and certification marks by any person authorized to do so shall conform to the provisions of Section 4 of this Law.

70. In addition to the grounds specified in Sections 11, 12 and 13, a collective or certification mark registration shall be declared invalid if it contravenes the provisions of Section 66(2) of this Law.

71. In addition to the grounds applicable to individual trademarks, collective or certification marks shall be cancelled when any of the following circumstances obtain and are declared in a final decision:

(a) an amendment to the regulations for use has been recorded in a manner contrary to the provisions of Sections 60(1) and 64(1);

(b) the proprietor of a mark has authorized or tolerated use of the mark in contravention or breach of the provisions of the regulations for use;

(c) the proprietor of a collective mark consisting of geographical names or signs has arbitrarily refused membership of the association to a person who meets the requirements laid down in the regulations for use, or the proprietor of a certification mark has arbitrarily refused to authorize the use of the mark by a person who proves his ability to meet the requirements laid down in the regulations for use; collective or certification marks shall not be cancelled, however, when a ruling declares the right of that person to membership of the association and the maintenance in force of the collective or certification mark;

(d) the proprietor of a certification mark has used it on goods or services manufactured or rendered by himself or by a person who is economically associated with him.

72. Collective and certification marks whose registration has been cancelled on any of the grounds provided for in this Law or has not been renewed by their proprietor may not be registered in relation to identical or similar goods or services for a period of three years from the date on which the cancellation of the mark registration was published or from that on which the legal period for renewal of the registration ended, as the case may be.

TITLE VII INTERNATIONAL TRADEMARKS

73. Provided the proprietor expressly requests it, an international registration of a trademark effected under the Act in force in Spain of the Madrid Agreement Concerning the International Registration of Marks of April 14, 1891, shall extend its effects to Spain.

74. The Registry of Industrial Property may refuse protection of an international trademark in Spain, in accordance with the provisions of Article 5 of the Act in force in Spain of the Madrid Agreement of April 14, 1891, Concerning the International Registration of Marks.

75.—

(1) The proprietor of a trademark registered in Spain who applies for international registration thereof shall file his application through the Registry of Industrial Property, in the manner laid down in the Act in force in Spain of the aforesaid Madrid Agreement.

(2) Such applications may be filed pursuant to the provisions of Section 15(3), at the Provincial Directorates of the Ministry of Industry and Energy, except where the discharge of industrial property matters is within the competence of the Autonomous Communities, whose bodies shall in that event be competent to receive the documentation. Under such circumstances, the Autonomous Communities shall forward the application to the Registry of Industrial Property.

(3) A national fee shall be paid when an international registration or its renewal is applied for.

TITLE VIII TRADE NAMES AND BUSINESS SIGNS

Chapter I Trade Names

76.—

(1) A trade name shall be understood to be the sign or name that serves to identify a natural person or legal entity in the practice of his business activity and distinguishes his activity from identical or similar ones.

(2) The following in particular may be trade names:

(a) surnames, corporate names and the names of legal entities;

(b) fanciful names;

(c) names alluding to the object of the business activity;

(d) anagrams;

(e) any combination of the signs mentioned by way of example in the preceding subparagraphs.

77. A trade name shall be protected under the conditions laid down in Article 8 of the Act in force in Spain of the Paris Convention for the Protection of Industrial Property of March 20, 1883, provided that its proprietor shows that he has used it in Spain. When the proprietor of a trade name brings an action seeking a declaration of invalidity of a subsequently registered trademark or trade name or business sign, he shall prove the use mentioned in the preceding sentence and bring the action before five years have expired from the date of publication of the corresponding grant.

78.—

(1) Registration of a trade name at the Registry of Industrial Property is optional and confers on its proprietor the exclusive right to use it in the course of trade under the conditions laid down in this Law.

(2) The application for registration of a trade name shall specify the business activity that is to be identified by the name applied for, and shall be accompanied by the corresponding fiscal operating license for the said activity.

(3) When use of the designation constituting a trade name as a trademark for a product or service is desired, it shall be necessary to effect separate registrations therefor.

(4) Failure to comply with the provisions of the preceding paragraph, and therefore use of a trade name as a designation for application to goods or services to the detriment of a trademark, shall as appropriate be considered an infringement of the exclusive trademark right or an act of unfair competition.

79. A trade name may only be transferred together with the undertaking as a whole.

80.—

(1) Legal entities that apply for registration of their name as a trade name shall prove that fact by filing the corresponding deed or document of incorporation.

(2) In the event of the name having been changed subsequent to incorporation, that circumstance shall be proved with a public document.

81. In addition to the provisions of the preceding Sections, the rules of this Law relating to trademarks shall be applicable to trade names, insofar as they are not incompatible with their intrinsic nature.

In particular, the rules on the registration procedure contained in Title III of this Law shall apply to trade names.

Chapter II Business Signs

82.—

(1) A business sign shall be understood to be the sign or name that serves to make a business known to the public and to distinguish it from others engaging in identical or similar activities.

(2) The following in particular may be business signs:

(a) surnames, corporate names and the names of legal entities;

(b) fanciful names;

(c) names alluding to the activity of the business;

(d) anagrams;

(e) any combination of the signs mentioned by way of example in the preceding subparagraphs.

83. Business signs shall be registered for the municipal district or districts stated in the application.

The municipality or municipalities where the business and the branches for which it is applied for are located, and also the activities in which it engages, shall be identified when registration of a business sign is applied for.

When the aforesaid branches are extended to other municipal districts, they shall be considered the subject of a new registration, and priority shall start on the date on which the interested party files the new request.

84. For every business open to the public it shall be possible to register one sign only, which may be used for the principal business and the branches located in the municipal district for which the sign has been registered.

85. In addition to the provisions of the preceding Sections, the rules of this Law relating to trademarks shall be applicable to business signs, insofar as they are not incompatible with their intrinsic nature.

In particular, the rules on the registration procedure contained in Title III of this Law shall apply to business signs.

86. A sign that is not sufficiently different from a trademark or a trade name or another title registered for the same municipal district may not be registered as a business sign.

TITLE IX UNFAIR COMPETITION

87. Any act of competition that is contrary to standards of correctness and honest trade practice shall be considered unfair.

88. Without prejudice to the provisions of general legislation on the matter, the following in particular shall be considered unfair:

(a) any act capable of creating confusion, by whatever means, with the establishment, the goods or the business activity of a competitor;

(b) false assertions, in the course of trade, capable of discrediting the business, the goods or the industrial or business activity of a competitor;

(c) indications or assertions whose use in the course of trade could mislead the public as to the nature, the mode of manufacture, the characteristics, the suitability for their purpose or the quantity of the goods;

(d) the direct or indirect use of a false or misleading indication as to the origin of a product or service or as to the identity of a producer, manufacturer or trader;

(e) the direct or indirect use of a false or misleading appellation of origin, or imitation of an appellation of origin, even when the true origin of the product is indicated, or if the appellation is used in translation or is accompanied by expressions such as “kind,” “type,” “style,” “imitation” or the like.

89. The actions provided for in Chapter II of Title IV of this Law shall be brought in cases of unfair competition.

ADDITIONAL PROVISIONS

1. The reference that Section 139 of the Industrial Property Law of May 16, 1902, makes to Section 132 thereof shall be construed as a reference to Sections 87 and 88 of the present Law.

2. The Law Regulating the Common Administrative Procedure shall apply subsidiarily to the administrative acts provided for in this Law and they may be appealed against in accordance with the provisions regulating the contentious administrative jurisdictional system.

TRANSITIONAL PROVISIONS

1. Applications for registration of trademarks, trade names and business signs that were filed prior to the entry into force of this Law shall be processed and decided upon in accordance with the legal system in force on the date of their filing.

2. Trademarks, trade names and business signs granted under the provisions of the Industrial Property Code shall be governed by this Law.

However, from the entry into force of this Law until the first renewal that takes place in accordance with the provisions of the Code, the rules on duration, payment of five-yearly fees and renewal laid down in the Code shall apply.

3. Any person who was using a trademark prior to the entry into force of the Law may apply to the courts for the invalidation of a trademark registered for identical or similar goods which may create confusion with the previously used trademark, provided that he brings the action before three years have elapsed following the entry into force of the Law and three years have not elapsed following the date of publication of the grant of the trademark the invalidation of whose registration is sought.

4. For a period of four years following the entry into force of the Law, trademarks that might have lapsed under the provisions of Section 51(2) may be reinstated by their proprietor or his successor in title, provided that reinstatement is applied for within the year following the expiration of the period mentioned in Section 6(3) of this Law.

The application for reinstatement shall be processed in accordance with the provisions of Section 161 of the Industrial Property Code.

5. Court actions brought prior to the entry into force of this Law shall continue to be prosecuted according to the procedure under which they were instituted.

6. Until such time as the High Courts of Justice have been constituted and are acting, the hearing of civil actions arising in connection with the rights granted in this Law shall be within the competence of the courts of first instance of the capital cities that are centers of territorial jurisdiction.

REPEALING PROVISION

All provisions that are contrary to the present Law, except for the contents of the Transitional Provisions, are repealed, and the following in particular:

(1) In the Industrial Property Code, approved by Royal Decree Law of July 26, 1929, revised text approved by the Royal Order of April 30, 1930, and ratified as Law by that of September 16, 1931:

(a) Titles I, III and V insofar as they affect trademarks, trade names and business signs, except for the contents of the first, second and fourth transitional provisions;

(b) Title VI on cinematographic films;

(c) Title VII on false indications of source and of credit and industrial reputation.

(2) In the Industrial Property Law of May 16, 1902, Title X on "unlawful competition."

FINAL PROVISIONS

1. This Law shall enter into force six months after its publication in the *Boletín Oficial del Estado*.

2.—

(1) The fees provided for in this Law shall be those established in Law No. 17/1975, of May 2, 1975, on the creation of the Registry of Industrial Property as an autonomous body, updated with respect to their amount by the General Budget Laws of the State.

(2) The rates of the fees for the services, operations and activities of the Registry of Industrial Property may be amended in the Budget Laws for each year.

3. On a proposal by the Minister for Industry and Energy, the Government shall approve the Regulations and issue such other provisions as are necessary for the implementation and execution of this Law, and shall lay down the procedures and time limits that the Registry of Industrial Property must observe in conducting the various proceedings and making the various decisions provided for therein.