

**AMENDMENTS AND ADDITIONS TO LAW No. 380
LAW ON TRADEMARKS AND OTHER DISTINCTIVE SIGNS**

LAW No. 580 adopted March 21, 2006

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THE PRESIDENT OF THE REPUBLIC OF NICARAGUA

Declares to the Nicaraguan people that:

THE NATIONAL ASSEMBLY OF THE REPUBLIC OF NICARAGUA

WHEREAS

I

The Political Constitution of Nicaragua, in Articles 125 and 128, promotes and protects intellectual property; and establishes the duty of the State of Nicaragua to support national culture in all its expressions, either collective or individual.

II

In accordance with the powers established in Article 138(12) of the Political Constitution, the National Assembly adopted the Dominican Republic-Central America-United States Free Trade Agreement (CAFTA-DR) through National Assembly Decree No. 4371, published in the Official Gazette, No. 199 of October 14, 2005.

III

The President of the Republic ratified the Dominican Republic-Central America-United States Free Trade Agreement (CAFTA-DR), through Executive Decree No. 77-2005, published in the Official Gazette of November 20, 2005, in accordance with the powers set forth in Article 150 of the Political Constitution.

IV

As regards intellectual property, it is necessary to guarantee the implementation of the immediate commitments concerning trademarks and geographical indications, established in Chapter Fifteen, Intellectual Property Rights, in CAFTA-DR.

In its sole discretion,

HAS DECLARED

The following:

**Amendments and Additions to Law No. 380,
Law on Trademarks and Other Distinctive Signs**

Article 1. The definition of 'geographical indication' contained in Article 2 is hereby amended and shall read as follows:

“Geographical Indication: an indication that identifies a good as originating in a country, region, locality or particular place, and the quality, reputation or other characteristic of the good is essentially attributable to its geographical origin, including human and natural factors.

Any sign or combination of signs, in any form, shall be eligible to be a geographical indication.”

Article 2. Article 3 is hereby amended and shall read as follows:

Article 3. Signs that can constitute a mark. Marks may consist of, inter alia, words or groups of words, advertising slogans and phrases, letters, numbers, monograms, shapes, portraits, labels, coats of arms, designs, cartoons, borders, lines and stripes, and combinations and arrangements of colors, sounds or other perceptible signs such as smells. They may also consist of the form, presentation or packaging of the goods or their containers or wrapping, or the means or place of retail of the related goods or services.

A mark shall be eligible to be a national or foreign geographical indication provided that it identifies the goods or services to which it is applied, and that its use does not potentially result in the risk of confusion as regards the origin, provenance, qualities or characteristics of goods or services to which the mark shall be applied, or the likelihood of confusion with a geographical indication already protected as regards those goods or services, or the unfair use of the prestige of that geographical indication.”

Article 3. The second paragraph of Article 16 is hereby amended and shall read as follows:

“If evidence was not submitted with the opposition, it must be presented within thirty working days after the filing date for opposition. To answer an opposition, the same shall apply.”

Article 4. The first paragraph of Article 26 is hereby amended and shall read as follows:

Article 26. Exclusive Rights. The owner of a registered trademark shall enjoy the exclusive right to prevent third parties from using, without his consent, in their commercial operations, identical or similar signs, including geographical indications, for goods or services related to the goods and services protected by a registered trademark, where this use gives rise to the likelihood of confusion. Where an identical sign, including a geographical indication, is used for identical goods or services, the likelihood of confusion shall be presumed. He shall enjoy the right to bring, before the jurisdictional bodies, the relevant actions and measures against anyone who infringes his right. The owner of a registered trademark may prevent any third party from carrying out the following acts;”

Article 5. The second paragraph of Article 32 is hereby amended and shall read as follows:

“The licenses for use may be recorded in the Register for the purposes of disclosure.”

Article 6. The second paragraph of Article 36 is hereby amended and shall read as follows:

“The cancellation of a registration for the non-use of a trademark may also be requested in response to an objection to the registration, or in an opposition case, where the objection or opposition is based on a trademark that is registered but not used in accordance with this Law. The cancellation shall be settled by the competent judicial authority, to which the Registry shall remit the record of proceedings in order for the action to be settled in a summary court.”

Article 7. Article 58 is hereby amended and shall read as follows:

“Article 58. Grounds for Non-Registrability. The expressions or signs for commercial advertising shall not be registrable in the following cases:

- (a) Where they are already covered by any of the provisions established in subparagraphs (b), (c), (e), (h), (i), (j), (k), (l), (n) and (o) of Article 7 of this Law.
- (b) Where they are the same or similar to other marks that are already registered, have filed for registration, or are being used by a third party.
- (c) Where they include a distinctive foreign sign without due authorization.
- (d) Those expressions or signs, the commercial use of which may cause confusion regarding the goods, services, companies or establishments of a third party or which are covered by any of the prohibitions provided for in subparagraphs (e), (f), (g) and (i) of Article 8 of this Law.
- (e) Those expressions or signs, the commercial use of which constitutes an act of unfair competition.

Article 8. The first paragraph of Article 64 is hereby amended and shall read as follows:

“Article 64. Trade Name Registration Procedure. The registration of a trade name, as well as the amendment or annulment of the registration, shall be carried out in accordance with the procedures established for marks, as appropriate, and the prescribed fee shall be paid. The Registry shall examine whether the trade name contravenes the provisions of the previous Article.”

Article 9. The second paragraph of Article 71 is hereby amended and shall read as follows:

“Foreign producers, manufacturers or craftsmen, as well as the competent authorities of foreign jurisdictions, who could benefit from the implementation of Articles 2 and 3 of the Paris Convention, may apply for the registration of an appellation of origin.”

Article 10. Subparagraph (d) is hereby added to Article 72 and shall read as follows:

“(d) Where the appellation is identical or similar to a mark registered or in the process of being registered, or which is protected in any other way under this Law.”

Article 11. The second paragraph of Article 74 is hereby amended and shall read as follows:

“The procedures for the examination, publication, opposition to and registration of the appellation of origin shall be governed by the provisions on the registration of marks, as appropriate.”

Article 12. Article 78 is hereby amended and shall read as follows:

“Article 78. Annulment or Cancellation of Registration. At the request of any party concerned or competent authority, the judge shall declare null and void the registration of an appellation of origin where it is demonstrated that the appellation falls within one of the prohibitions in Article 72 of this Law.

At the request of any party concerned or competent authority, the judge shall cancel the registration of an appellation of origin where it is demonstrated that the appellation is being used for trade purposes which do not correspond to those indicated in the relevant registration, in accordance with Article 75 of this Law.

In the event of cancellation or annulment, the appropriate provisions for the registration of marks in Articles 34, 35, 36, 37, 38, 39 and 40 of this Law shall be applicable.”

Article 13. Article 89 is hereby amended and shall read as follows

“**Article 89.** It shall be possible to lodge, against the ruling handed down by the Registry, an appeal for review, reversal, amendment or a remedy of appeal before the Registry, within three days starting from the day of the notification of the ruling. The Minister for Development, Industry and Trade shall then hear the remedy of appeal, and may delegate such a hearing to the Deputy Minister or Secretary General. The process and resolution of the appeals shall be subject to the provisions established in the Regulations under this Law.”

Article 14. The following fee and a final paragraph are hereby added to Article 95 and shall read as follows:

“Change of address \$CA 40.00

The fees set forth in this Article shall be reduced by 75 per cent if the applicant is a natural person and his yearly income in the year prior to filing the application was less than four thousand Central American pesos. The Regulations under this Law shall stipulate the documents the party concerned must include in order to benefit from this provision.”

Article 15. Article 97 *bis* is hereby added and shall read as follows:

Article 97 *bis*. Final court judgments, administrative decisions or rulings of general application concerning the enforcement of intellectual property rights shall be made in writing and shall describe the relevant facts and legal grounds on which judgments, decisions or rulings are based in accordance with the Code of Civil Procedure. The said judgments, decisions or rulings shall be published or, where publication is not feasible, shall be made available to the public in some other way.”

Article 16. Article 98 is hereby amended and shall read as follows:

Article 98. Measures in an Infringement Action. In an action for infringement of a protected right under this Law one or more of the following measures, inter alia, may be ordered:

- (a) The cessation of the acts that constitute infringement;
- (b) Compensation for harm and injury;
- (c) The seizure or confiscation of infringing goods, including containers, packaging, labels, printed or advertising material and other materials resulting from the infringement, and the materials. Forfeiture of all documentary evidence related to the infringement and other means that were mainly used to commit the infringement;
- (d) The prohibition of the import or export of goods, materials or means referred to in subparagraph (c);
- (e) The destruction of all infringing goods;
- (f) The necessary measures to prevent the continuation or repetition of the infringement, including the destruction of goods, materials or means referred to in subparagraph (c). The said destruction shall be carried out without any compensation. In exceptional circumstances the materials and means referred to in subparagraph (c) shall, without any compensation, be made available outside channels of commerce so that the risk of future infringements is minimized. When considering requests for the said destruction, the judicial authorities shall take into account, inter alia, the seriousness of the infringement, as well as the interests of third parties, who are the holders of actual rights, possession rights, or contractual or guaranteed interests;

(g) The publication of the judgment and its notification to the parties concerned, at the expense of the infringing party.

The donation of goods with counterfeit marks for charitable purposes shall not be ordered by the judicial authority without the authorization of the right holder, except where in appropriate circumstances the goods with counterfeit marks may be donated for charitable purposes for use outside channels of commerce, where the removal of the mark eliminates the infringing characteristics of the goods and the goods are no longer identifiable with the removed mark. In no event shall the simple removal of the illegally attached mark be sufficient to authorize the introduction of the merchandise into channels of commerce.

The civil judicial authority, the better to take its decision, may order the defendant to provide any information in his possession concerning anyone involved in any way, and concerning the means of production or distribution channels for the goods or services that are the subject of the infringement, including identifying third parties involved in their production and distribution and their distribution channels, and provide this information to the right holder.”

Article 17. Article 99 is hereby amended and shall read as follows:

“Article 99. Calculating Compensation for Harm and Injury. The right holder shall receive compensation for harm and injury caused by the infringer as follows:

1. Adequate compensation to cover the damages that the holder has incurred as a result of the infringement; and
2. The infringer’s profits attributable to the infringement and that have not been considered when calculating the amount for damages which are referred to in paragraph (1) of this Article.

When determining the damages caused by infringement of intellectual property rights, the judges must consider, inter alia, the value of the good or service that is the subject of the infringement, based on the suggested retail price or other legitimate measure of value that the right holder presents.”

Article 18. Articles 99 *bis* 1 and 99 *bis* 2 are hereby added and shall read as follows:

“Article 99 *bis* 1. The judge, except in exceptional circumstances, shall be authorized, when closing civil judicial procedures on counterfeit marks, to order the infringer to pay the right holder’s court costs and reasonable attorney’s fees.”

“Article 99 *bis* 2. In cases where the judge or other authority appoints technical or other experts in civil procedures concerning the enforcement of the rights set forth in this Law and which require that the parties cover the costs of said experts, these costs shall be closely related, inter alia, to the quantity and nature of the work to be undertaken and shall not unreasonably deter from using these procedures.”

Article 19. Subparagraph (e) is hereby added to Article 102 and shall read as follows:

“(e) Importing, storing, distributing, exporting, selling, offering for sale, possessing, renting, or putting into circulation in any other way counterfeit goods.”

Article 20. Article 102 *bis* is hereby added and shall read as follows:

“Article 102 *bis*. The criminal court shall be authorized to order the forfeiture of:

1. Goods presumed to be counterfeit.
2. Materials and accessories used to commit the offense.
3. Assets related to the infringing activity.
4. Documentary evidence concerning the offense.

Materials subject to forfeiture in the said judicial order shall not need to be individually identified, provided that they fit into one of the general categories stipulated in the order.

The criminal courts shall also be authorized to order:

- (1) The forfeiture of any asset related to the infringing activity.
- (2) Forfeiture and destruction of any counterfeit goods, without any compensation to the defendant, in order to prevent the entry of counterfeit goods into channels of commerce.

Article 21. Article 103 is hereby amended and shall read as follows:

Article 103. Action against Statutory Offenses. The offenses set out in this Law shall be actionable *ex officio* by the Public Prosecutor, without the need for a formal complaint of a privy or right holder or through a complaint of a party concerned, including any entity or organization representing production or consumer sectors of any kind, at least with the purpose of preserving evidence and preventing the continuation of the infringing activity.

Criminal action to prosecute for those offences shall be public and limited to six years starting from the last time the offense was committed.

Article 22. Paragraph (9) is hereby added to Article 132 and shall read as follows:

“(9) Carrying out mediations, at the request of any party concerned, on any of the subjects of which they know. This power may be delegated to the Deputy Registrar or other Registry official”.

Article 23. Article 144 is hereby amended and shall read as follows:

“**Article 144. Guarantees and Conditions in case of Precautionary Measures.** A precautionary measure shall only be ordered where the party requesting the measure can prove it has authorization to act, on behalf of third parties, where necessary, in accordance with the Code of Civil Procedure, and provide evidence that is reasonably made available, in order to establish to the judicial authorities’ satisfaction and with a sufficient degree of certainty that the defendant’s right is the subject or shall imminently be the subject of an infringement. No measure shall be ordered if the party requesting it does not give sufficient security or guarantees, at the judge’s discretion. The said guarantee must be reasonable and at a level that is sufficient to establish an amount that unreasonably deters the use of these procedures. The party requesting a precautionary measure must, with regard to specific goods, provide adequate information on the goods that the right holder can reasonably be expected to know so that the goods can easily be recognized.”

Article 24. Transitional Provision. Actions which have been initiated prior to the entry into force of this Law shall be continued until they are settled in accordance with the provisions under which they were initiated.

Article 25. Deletion. The second paragraph of Article 130 is hereby deleted.

Article 26. Entry into Force. This Law shall enter into force from the time of its publication in the Official Gazette.

Done at Managua, in the Conference Room of the National Assembly on the twenty-first day of March, two thousand and six. **EDUARDO GÓMEZ LÓPEZ**, President of the National Assembly. **MARIA AUXILIADORA ALEMAN ZEAS**, Secretary of the National Assembly.

Therefore: Let this be the Law of the Republic. To be published and executed. Managua, the twenty-second of March, two thousand and six. **ENRIQUE BOLAÑOS GEYER**, President of the Republic of Nicaragua.
