

LAW ON TRADEMARKS AND OTHER DISTINCTIVE SIGNS

Amendments: **Legislative Decree No. 913** dated January 12, 2006, published in the **Official Gazette No. 8** dated January 12, 2006 and **Legislative Decree No. 986** dated March 17, 2006, published in the **Official Gazette No. 58**, Volume 370 dated March 23, 2006.

DECREE No. 868.-

THE LEGISLATIVE ASSEMBLY OF THE REPUBLIC OF EL SALVADOR,

WHEREAS:

I. The Constitution of the Republic acknowledges the right of intellectual and artistic property as a human right, in the time and form specified in the Law and in the international treaties to which the Republic of El Salvador is a signatory;

II. Our country, loyal to its commitments to the World Trade Organization, shall guarantee that the regulations of its legislation regarding intellectual property include the protection standards provided for in the Agreement on Trade Related Aspects of Intellectual Property Rights, according to Annex 1C of the Marrakesh Agreement, by which the World Trade Organization is established;

III. The Central American Agreement for the Protection of Industrial Property fails to properly respond to the changes arising from industrial development, international trade and new technologies; therefore, on September 17, 1999, in the city of San José, Republic of Costa Rica, the Republics of El Salvador, Guatemala, Nicaragua and Costa Rica signed a Protocol that repeals such Agreement and shall be ratified upon the existence of a national legal system to replace it, so industrial property rights may be actually and effectively acknowledged and protected in accordance with the current demands, thus encouraging intellectual creativity and investment in trade and industry, all of this being consistent with the commitments undertaken by virtue of the Agreement on Trade Related Aspects of Intellectual Property Rights;

THEREFORE:

Exercising its constitutional powers and upon the initiative of the President of the Republic, through the Minister of Economy, and the following Congressmen: **Ciro Cruz Zepeda Peña**, **Walter René Araujo Morales**, **Julio Antonio Gamero Quintanilla**, **René Napoleón Aguiluz Carranza**, **Carmen Elena Calderón de Escalón**, **José Rafael Machuca Zelaya**, **William Rizziery Pichinte**, **Rosario del Carmen Acosta**, **Ernesto Iraheta**, **José Antonio Almendáriz Rivas**, **Rafael Edgardo Arévalo Pérez**, **José Orlando Arévalo Pineda**, **Rodrigo Avila Avilés**, **Juan Miguel Bolaños Torres**, **Carlos Antonio Borja Letona**, **Isidro Antonio Caballero Caballero**, **Louis Agustín Calderón Cáceres**, **Rafael Hernán Contreras Rodríguez**, **Roberto José d'Aubuisson Munguía**, **Agustín Díaz Saravia**, **Juan Duch Martínez**, **Juan Mauricio Estrada Linares**, **Hermes Alcides Flores Molina**, **José Amílcar Arévalo**, **Guillermo Antonio Gallegos Navarrete**, **Elizardo González Lovo**, **Noé Orlando González**, **Jesús Grande**, **Manuel Durán**, **Carlos Walter Guzmán Coto**, **Mauricio Hernández Pérez**, **Mariela Peña Pinto**, **Francisco Alberto Jovel**

Urquilla, Osmín López Escalante, Mauricio López Parker, Alejandro Dagoberto Marroquín, Juan Ramón Medrano Guzmán, William Eliú Martínez, José Francisco Merino López, Julio Eduardo Moreno Niños, Renato Antonio Pérez, Mario Antonio Ponce López, Norman Noel Quijano González, José Mauricio Quinteros Cubías, Carlos Armando Reyes Ramos, Horacio Humberto Ríos Orellana, Héctor Nazario Salaverría Mathies, Gerardo Antonio Suvillaga García, Hugo Antonio Fuentes, Enrique Valdés Soto, Alba Teresa de Dueñas, Vinicio Peñate, Manuel Vicente Menjívar, Fernando de Jesús Gutiérrez, Juana Isolina Alas de Marín, Héctor Guzmán, Juan José Francisco Guerrero Chacón,

DECREES the following:

LAW ON TRADEMARKS AND OTHER DISTINCTIVE SIGNS

TITLE I

PRELIMINARY PROVISIONS

Subject Matter of the Law

Section 1. The purpose of this Law is to regulate the purchase, protection, continuance, modification, and licensing of trademarks, commercial advertising signs or expressions, trade names, emblems, geographical indications, and designations of origin, as well as the prohibition against unfair competition in such matters.

Definitions

Section 2. For the purposes of this Law, it shall be understood as:

Distinctive Sign: Any sign that constitutes a mark, an expression or sign of commercial advertising, a trade name, an emblem or a designation of origin;

Well-Known Distinctive Sign: A distinctive sign known by the relevant sector of the public, or in the related business circles, as owned by a third party, that is accredited as such due to its use in the country or as a result of the marketing thereof;

Famous Distinctive Sign: A distinctive sign known by the public in general, either within the country or abroad.

Mark: Any sign or combination of signs that allows distinguishing the goods and services of one person from those of another, for being these distinctive enough or likely to identify the goods and services to which they apply against those of the same sort or kind¹;

Collective Mark: A mark held by a legal entity that gathers individuals authorized by the holder to use the mark based on a set of regulations;

¹ Amended by Section 1 of Legislative Decree Number 913 dated January 12, 2006.

Certification Mark: A mark applied to goods or services whose quality and other characteristics have been controlled and certified by the mark holder².

Sign or Expression of Commercial Advertising: Any word, caption, ad, motto, phrase, sentence, word combination, design, engraving or any other similar means, provided that it is original and distinctive, used with the purpose of capturing the attention of the consumers or users on one or several products, services, companies or establishments;

Trade Name: A denominative or mixed sign that identifies and distinguishes a company or its establishments;

Emblem: A figurative, symbolic or allegorical sign that identifies and distinguishes a company or its establishments³;

Geographical Indication: Any geographical name, designation, image or sign that designates or evokes a good originating from a specific country, group of countries, region, locality or particular place, when a specific quality, reputation or other characteristic of such good is essentially attributable to its geographical origin⁴;

Designation of Origin: Any geographical indication formed by the designation of a country, a region or a particular place, used to name a product originating from them, which qualities or characteristics are due exclusively or essentially to the geographical environment where it is produced, including natural and human factors; designation of origin shall also be construed as the one that is formed by a designation that, different from that of a country, a region or a particular place, refers to a determined geographical area when it is used in relation to products originating thereof;

Paris Convention: The Paris Convention for the Protection of Industrial Property signed on March 20, 1883, revised on July 14, 1967 and amended on September 28, 1979;

Registry: Intellectual Property Registry⁵;

Parties that May Adhere to the Law

Section 3. Any individual or legal entity, regardless of its nationality or place of residence, may obtain and enjoy the rights granted by this Law.

There shall be no requirement of nationality, place of residence or permanence in the Republic to enjoy the rights stated by this Law.

TITLE II

MARKS

CHAPTER I

² Amended by Section 1 of Legislative Decree Number 913 dated January 12, 2006.

³ Amended by Section 1 of Legislative Decree Number 913 dated January 12, 2006.

⁴ Amended by Section 1 of Legislative Decree Number 913 dated January 12, 2006.

⁵ Amended by Section 1 of Legislative Decree Number 913 dated January 12, 2006.

MARKS IN GENERAL

Signs that May Constitute a Mark

Section 4. Marks may consist of, among other elements, words or series of words, including names of persons, letters, numbers, monograms, shapes, portraits, labels, coats of arms, designs, cartoons, borders, lines and stripes, sounds, scents or series and arrangements of colors. They may also consist of the form, presentation or packaging of goods, their containers or wrapping, or the means or retail premises of the corresponding goods or services. Marks may also consist of geographical indications⁶.

SECOND PARAGRAPH REPEALED⁷

Acquisition of Trademark Rights

Section 5. Ownership of marks and their exclusive right of use are acquired by registration in accordance with this Law.

Issues that may arise concerning priority in the submittal of two or more trademark applications shall be resolved according to the date and time of submittal of each application.

Ownership and the exclusive right of use of the mark shall only be obtained regarding the goods or services for which it has been registered, notwithstanding the right to object in the cases provided for in this Law.

The holder of a mark protected in a foreign country shall enjoy the rights and guarantees granted by this Law, provided that the mark is registered in El Salvador, notwithstanding the protection to well-known or famous signs.

The use of a mark to commercialize any goods or services, as well as the registration of the mark used in trade shall be declaratory.

Priority Right

Section 6. Any person who has rightfully submitted a trademark application in a Signatory State of the Paris Convention or in another country that agrees reciprocity for these legal effects to Salvadorians or having their place of residence or an existing or actual establishment in any of those countries, as well as the assignee of said person, shall have priority right when submitting, in El Salvador, one or more registration applications for the same trademark regarding the same goods or services.

Priority right may be exercised during a six-month term as of the day following the submittal of the priority application. The submitted trademark application that invokes preference shall not be rejected, revoked or annulled by any act executed by the same

⁶ Amended by Section 2 of Legislative Decree Number 913 dated January 12, 2006.

⁷ Amended by Section 2 of Legislative Decree Number 913 dated January 12, 2006.

applicant or any third party during the effectiveness of the priority right. Such acts shall not result in the acquisition of any third-party rights in relation to the trademark.

Priority right shall be invoked by means of an express statement of consent, which shall be filed along with the registration application within a three-month term as of the filing date of the application.

A copy of the priority application certified by the industrial property office that received such application shall be attached to the application within the three-month term following the submittal. This document shall be exempt of any legalization and, if necessary, a simple translation shall be attached thereto.

Joint Ownership

Section 7. Joint ownership of the right on a trademark application or registration shall be governed by the following regulations, unless there is any agreement to the contrary:

- a) Modification, limitation or withdrawal of an application in process shall be concurrently made;
- b) Each joint owner may personally use the distinctive sign regarding the application or registration, but shall equitably compensate the joint owners who do not use or exploit the sign or have not granted a usage license for it; in the absence of an agreement, the compensation shall be fixed by the competent court;
- c) The transfer of the application or registration shall be made by mutual consent, but each joint owner may separately assign his or her share, while the others may exercise the right to first refusal for a three-month term as of the date notice is given by the joint owner intending to assign his or her share;
- d) Each joint owner may grant to a third party a non-exclusive usage license of the distinctive sign relevant to the application or registration; but shall equitably compensate the joint owners who do not use the sign or have not granted a usage license for it; in the absence of an agreement, the compensation shall be fixed by the competent court;
- e) An exclusive exploitation usage license shall only be granted by mutual consent;
- f) The limitation or voluntary cancellation, either total or partial, of a registration shall be made by mutual consent;
- g) Any joint owner may notify the others that he or she relinquishes, in benefit of the latter, his or her share of the application or registration, without being held liable to any obligations before the others as of the annotation of the waiver in the corresponding registration or, regarding an application, as of the date the Registry receives the notice of abandonment. The waived share will be distributed among the rest of the joint owners in proportion to their respective rights on the application or registration; and

h) Any joint owner may file the corresponding action in the event of an infringement of rights.

The provisions of ordinary law on joint ownership shall apply to situations not foreseen in this Section.

Inadmissible Marks Due to Intrinsic Reasons

Section 8. A sign shall not be registered or used as a trademark or as one of its elements if it is comprised in any of the following cases:

- a) It consists of the usual or common form of the product to which it applies or its container, or a shape that is indispensable or imposed by the nature of the product or the relevant service;
- b) It consists of a shape that provides a practical or technical advantage to the goods or services to which it applies;
- c) It consists exclusively of a sign or indication that in common, technical or scientific language, or in the commercial usage of the country, is a usual or common designation of the product or service to which it applies;
- d) It consists exclusively of a sign or indication that may be helpful in commercial environments to qualify or describe any characteristic of the goods or services to which it applies;
- e) It consists of a simple, distinctly considered color;
- f) It consists of a distinctly considered letter or digit, unless it is presented in a special and distinctive shape;
- g) It is contrary to morals or public policy;
- h) It includes an element that may offend or ridicule people, ideas, religions or national emblems of any country or international entity;
- i) It misleads or confuses the geographical origin, nature, manufacturing method, qualities, suitability for use or consumption, quantity or any other characteristic of the goods or services to which it applies;
- j) REPEALED⁸
- k) It reproduces or imitates, either totally or partially, the coat of arms, flag or other emblem, acronym, denomination or abbreviation of a denomination of any State or international organization, without an express authorization of the competent authority of the State or international organization to which it applies;

⁸ Repealed by Section 3 of Legislative Decree Number 913 dated January 12, 2006.

l) It reproduces or imitates, either totally or partially, an official sign of control or guarantee adopted by a State or a public entity, without an express authorization of the competent authority of such State;

m) It reproduces national currency of legal tender, securities or other commercial instruments, seals, stamps, tax stamps or any means of tax payment, in general;

n) It includes or reproduces medals, prizes, diplomas or other elements that involve the winning of awards regarding the corresponding goods or services, unless such awards have been actually granted to the applicant or to his predecessor in title; and evidence thereof is produced at the time of the registration application;

o) It consists of the designation of a protected plant variety in the country or abroad, if the sign is destined to goods or services concerning such variety; and,

p) It comes under the prohibition provided for in Section 51-G of this Law⁹.

Inadmissible Marks Due to Third-Party Rights

Section 9. A sign may not be registered or used as a mark or an element thereof when it affects a third-party right, in the following cases:

a) If the sign is identical or similar to a mark or other distinctive sign that has already been registered or in process at an earlier date in favor of a third party, for goods or services pertaining to the goods and services protected by a registered mark or in process, when such use causes probable confusion¹⁰;

b) If the sign causes probable confusion due to graphic, phonetic, olfactory or ideological similarity with other marks and other distinctive signs that have already been registered or in process at an earlier date in favor of a third party, for goods or services pertaining to the goods and services protected by a mark registered or in registration process¹¹;

c) If the sign is prone to cause confusion for being identical or similar to a trade name or emblem used previously in the country by a third party, provided the commercial line of business or activity is similar;

d) If the sign consists of a total or partial reproduction, imitation, translation, or transcription of a well-known distinctive sign owned by a third party, when its use is prone to cause confusion or a mistaken association with such third party or may imply taking unfair advantage of the reputation of the sign, in relation to any goods or services, even those not identical or similar to those identified by the well-known distinctive sign, provided that there is a connection between such goods or services¹²;

⁹ Added by Section 3 of Legislative Decree Number 913 dated January 12, 2006.

¹⁰ Amended by Section 4 of Legislative Decree Number 913 dated January 12, 2006.

¹¹ Amended by Section 4 of Legislative Decree Number 913 dated January 12, 2006.

¹² Amended by Section 4 of Legislative Decree Number 913 dated January 12, 2006.

- e) If the sign consists of a total or partial reproduction, imitation, translation or transcription of a famous distinctive sign owned by a third party, provided that its use of may lead to confusion or mistaken association with such party, notwithstanding the goods or services to which the sign applies;
- f) If the sign affects the civil rights of a third party, or consists either partially or totally of the name, signature, title, pseudonym, image or portrait of a person different from the applicant of the registration, unless such third party or such third party's heirs grant an express authorization;
- g) If the sign affects the right to the name, image or reputation of a local, regional or national community, unless there is evidence of an express authorization granted by the competent authority of such community;
- h) If a sign is prone to cause confusion with a designation of origin protected prior to the trademark application¹³;
- i) If the sign is likely to infringe a copyright or an industrial property right of a third party, unless there is an express authorization; and
- j) If the registration of the sign has been applied for to commit or assure an act of unfair competition.

CHAPTER II

PROCEDURE FOR TRADEMARK REGISTRATION

Registration Application

Section 10. The trademark application shall be filed in the Registry and shall include the following information:

- a) Designation of the authority to which it is addressed;
- b) Name, trade name or designation, nationality, place of residence, and other particulars of the applicant, and the name, occupation and place of residence of the legal representative or agent when the request is made by the latter;
- c) The mark whose registration is being applied for, including a model or a copy thereof. When the mark is only constituted by a design, the applicant shall assign a method to identify it. When the mark is constituted by sounds, the reproduction thereof shall be necessarily graphic and may consist of its representation in staves or by any other means either known or to be known in the future. The sound mark shall also be submitted by means of a tangible support. When the mark is constituted by a word element with meaning in a

¹³ Amended by Section 4 of Legislative Decree Number 913 dated January 12, 2006.

language different from Spanish, a simple translation thereof shall be included¹⁴.

d) A list including the name of the goods or services identified by the mark, according to the classification specified in Section 85 of this Law, indicating their kind;

e) The reservations made in relation to the font, color, color combinations, designs or characteristics of the mark, as they appear in the model, as applicable. The reservations made regarding elements not appearing in the model shall lack value;

f) Specific indication of what is requested;

g) Accurate address for service; and

h) Place and date of the application and signature of the applicant, agent or legal representative.

Attached to the aforementioned application, the following shall be submitted:

a) A certified copy of the lawfully granted power of attorney if the application is submitted by an agent, unless the Registry has received evidence of the agent's representation; should that be the case, the date and number of registration shall be stated in the application. When the interested party submits the original power of attorney, said party may request it be returned once it is recorded on the file;

b) Fifteen models or copies of the mark; and,

c) The documents or authorizations required in the cases provided for in Sections 8 and 9 of this Law, when appropriate.

The applicants shall appear before the Registry on their own behalf, with the signature and seal of the legal counsel, or represented by an agent, provided that said agent is a practicing attorney in the Republic and has no impediments under the terms of Section 99 of the Civil Procedural Code.

Filing Date of the Application

Section 11. Once the application has been submitted, the Registry shall record the date and time of submittal, assign a file number, and hand in to the applicant proof of having received the application and the submitted documents.

The filing date of the application shall be the date of receipt at the Registry, provided that at the moment of receiving it, the application meets the following minimum requirements:

¹⁴ Amended by Section 5 of Legislative Decree Number 913 dated January 12, 2006.

- a) Identification data of the applicant or its agent and address for service within the country;
- b) The mark which registration has been applied for according to the terms of Section 10, subparagraph c), of this Law; and
- c) The name of the goods or services for which the mark is or shall be applied.

Amendments to the Application

Section 12. The applicant may modify or rectify the application at any time during the procedure. A modification or rectification shall not be accepted if it implies an essential change in the mark or an addition to the list of products or services submitted with the initial application; yet such list may be limited or reduced.

Preliminary Examination

Section 13. The Registry shall assess whether the application complies with the provisions in Section 10 of this Law.

In the event of failure to comply with any of the requirements specified in Section 10 of this Law, the Registry shall so issue a resolution and give notice thereof to the applicant, so the applicant may rectify the error or omission within a four-month term, under caution of considering the application abandoned.

Substantive Examination

Section 14. The Registry shall examine whether the mark incurs in any of the prohibitions provided for in Sections 8 and 9 of this Law, based on the information and elements made available to the Registry.

If the mark which registration is being applied for is included in any of the prohibitions specified in the Sections mentioned in the preceding paragraph, the Registry shall so issue a resolution and give notice thereof to the applicant, indicating the objections that prevent the registration, granting the applicant a four-month term to reply. If the specified term has elapsed and there is no reply from the applicant, or if the applicant replies and the Registry considers that the relevant objections subsist, the registration shall be denied by a duly grounded resolution.

If the mark that has been applied for is identical or similar to another one in registration process, according to the terms of subparagraphs a) and b), Section 9 of this Law, the Registry shall issue a resolution suspending the request until the one being in process is resolved. If the latter is rejected, the suspended application shall be subject to processing under the terms of this Law and acknowledging precedence, as specified in the second paragraph of Section 5 of this Law.

The coexistence of similar marks shall be allowed when there is a written agreement between the interested parties¹⁵.

For the purposes of the mark examination, the mark shall be analyzed as a whole without separating any of the elements that constitute it.

Publication of the Application

Section 15. After the examinations have been carried out according to Sections 13 and 14 of this Law, if the application raises no objections or, after having overcome them, the Registry shall order the application be announced by means of a notice published three times in the Official Gazette and other newspaper with widespread national circulation, within a fifteen-day term at the expense of the interested party.

The notice to be published shall include:

- a) The name or trade name and nationality of the applicant;
- b) The name of the agent or legal representative, when appropriate;
- c) The filing date of the application;
- d) The application number;
- e) The mark as it was applied for, including the name of the goods and services identified by the mark, as specified in the registration application; and¹⁶
- f) Indication of the corresponding type.

Objection to Registration

Section 16. During the two-month term after the date of the first publication in the Official Gazette of the notice referred to in the section above, any party claiming to have a legitimate interest may object to the application and its registration:

- a) For considering that the sign being registered is included in the prohibitions provided for in sections 8 and 9 of this Law;
- b) For considering that the sign being applied for is equal or similar to one that has already been registered or is in registration process, which covers goods or services that, despite being of any kind different from that of those goods or services covered by the sign registered or in registration process, are of the same nature in such a way that may mislead the public; and,
- c) For being considered to have a right stronger than that of the applicant.

The objecting party shall appear on his or her own behalf, with the signature and seal of the legal counsel, or through an agent, provided that said agent is a practicing

¹⁵ Amended by Section 6 of Legislative Decree Number 913 dated January 12, 2006.

¹⁶ Amended by Section 7 of Legislative Decree Number 913 dated January 12, 2006.

attorney in the Republic and has no impediments under the terms of Section 99 of the Civil Procedural Code.

Formalities and Procedures for the Objection to Registration

Section 17. The objection shall be submitted in writing before the Registry and include the following:

- a) Accurate designation of the authority to which it is addressed;
- b) The name, trade name, nationality, place of residence and other standard legal information of the objecting party, and the name, occupation and place of residence of the agent or legal representative, when appropriate;
- c) The name or trade name of the party against which the objection is being filed;
- d) The factual and legal grounds that support the objection;
- e) The specific and precise expression of what is being requested; and
- f) Place and date of the petition and signature of the objecting party.

The objecting party shall provide or produce the pertinent evidence. If the evidence is not attached to the objection, it shall be produced within a two-month term after the filing date of the objection.

After the objection has been answered, no evidence other than that regarding new facts shall be admitted from the objecting party.

The objection shall be secured by a bond for the value of thirty Central American pesos that shall be deposited in cash at the Registry; proof of payment thereof shall be attached to the objection.

The Registry shall reject *ex officio* any objection that fails to comply with the provisions of this and the preceding section, and any such defect shall be stated in the corresponding decree.

Should the objection be sustained, the Registry shall notify the applicant thereof, who shall be entitled to reply within a two-month term as of the date of notice. Upon expiration of said term, the Registry shall decide on the request, even when there is no reply to the objection.

Final Decision

Section 18. If one or more objections have been submitted, they shall be decided by issuing a duly grounded resolution at the time of deciding on the merits of the application, in a single pronouncement, within a thirty-day term as of the expiration of the term to reply to the objection or the latest objection filed, in order to answer the objection or the last one of them, by means of a justified decision.

In case the objection is sustained and no appeal has been submitted, the application shall be filed away without further process, and the Registry shall refund the cash bond paid for the objection.

If the resolution rejecting the objection becomes final, the trademark registration shall be granted and the cash bond for objection shall benefit the Registry.

If no objection is filed within the specified term, the Registry shall grant the trademark registration. For such purposes, the interested party shall file before the Registry an issue of the first publication of the notice of the registration application in the Official Gazette.

If the registration is granted, the corresponding resolution shall be notified to the applicant so the applicant may submit the proof of payment of the established fees. If the applicant fails to file the proof of payment of the fees within the three-month term following the date of notification of the resolution, said resolution shall be rendered null and void, considering the application abandoned and the corresponding file shall be filed away with no further process.

Withdrawal of the Application or Objection

Section 19. Any party having submitted an application or an objection to the Registry shall be entitled to withdraw it, notwithstanding the status of its processing. Such withdrawal shall cause the application or opposition to be considered as if it had not been filed. The withdrawal of the application or objection shall not grant the right neither to a reimbursement of the paid fees nor the deposited cash bond, respectively, and the cash bond shall benefit the Registry.

Registration Certificate

Section 20. If the Registry has granted the trademark registration, a certificate stating the following data shall be issued to the holder within a maximum thirty-day as of the registration date:

- a) Full name of the Registry;
- b) Name, trade name, nationality, and place of residence of the trademark holder;
- c) Identification of the mark and the number, folio and volume of the Registration Book where it is registered;
- d) A mark design bearing the seal of the Registry;
- e) The complete list of goods or services identified by the mark, indicating the names stated in the registration application, and specifying the type to which they correspond¹⁷;
- f) The reservations as well as the declarations on non-exclusivity made by the applicant¹⁸;

¹⁷ Amended by Section 8 of Legislative Decree Number 913 dated January 12, 2006.

- g) Registration and expiration dates;
- h) Place and date of issuance of the certificate; and
- i) Seal and signature of the Registrar.

The registration certificate referred to in the preceding paragraph shall be issued in the form that the Registry uses for such purposes.

A copy of the registration certificate shall remain in the corresponding file.

CHAPTER III

TERM, RENEWAL, AND AMENDMENT OF THE REGISTRATION

Term of Registration and Renewal

Section 21. The trademark registration shall be in force during ten years as of the registration date. The registration shall be renewed indefinitely by consecutive ten-year terms as of the latest expiration date.

Procedure for Registration Renewal

Section 22. The application for the renewal of a mark registration shall be filed before the Registry within the year prior to the expiration date of the registration to be renewed. It may also be submitted within a six-month grace period after the expiration date, in which case, the specified surcharge shall be paid in addition to the corresponding renewal fees. During the grace period, the registration shall remain fully effective.

The application for renewal shall include the following:

- a) Designation of the authority to which it is addressed;
- b) Name, trade name, nationality and other standard legal information of the holder of the mark, and the name, occupation and place of residence of the legal representative or agent, if the petition shall be paid by the latter.
- c) Indication of the number, volume, folio and date of the registration;
- d) A list of goods or services consistent with the intended reduction or limitation, if the goods or services covered by the registration to which the application for renewal refers are to be reduced or limited;

¹⁸ Amended by Section 8 of Legislative Decree Number 913 dated January 12, 2006.

- e) Specific indication of what is being requested;
- f) Accurate address of service; and,
- g) Place and date of the application and signature of the applicant, agent or legal representative.

Along with the application referred to in the preceding paragraph, the following shall be submitted:

- a) A certified copy of the lawfully granted power of attorney if the application is submitted by an agent, unless the Registry has received evidence of the agent's representation; should that be the case, the date and number of registration shall be stated in the application. When the interested party submits the original power of attorney, said party may request it be returned once it is recorded on the file; and
- b) Proof of payment of the specified fees.

The renewal of the trademark registration shall be effective as of the expiration date of the previous registration, even if the renewal has been requested within the grace period.

Once the requirements provided for in this Section have been fulfilled and if there is no objection in accordance with Section 112 of this Law, the Registry shall record the renewal with no further process, ordering that the renewal be stated in writing on the margin of the entry corresponding to the mark¹⁹.

The marginal annotation to which the previous paragraph refers shall include:

- a) A specific indication that the trademark registration was renewed;
- b) The date of renewal;
- c) The number, volume and folio of the entry of the resolution in the corresponding book; and
- d) The seal and signature of the Registrar.

A certificate to accredit the renewal shall be granted to the holder, and it shall include:

- a) Full name of the Registry;
- b) The name, trade name, nationality and place of residence of the mark holder;

¹⁹ Amended by Section 9 of Legislative Decree Number 913 dated January 12, 2006.

- c) Indication of the distinctive sign and number, volume, folio and date of the registration;
- d) A specific indication that the registration has been renewed;
- e) The date of renewal and its expiration date; and
- f) The place and date of issuance of the certificate, the signature and seal of the Registrar.

Amendments to the Renewal

Section 23. No changes to the mark or extensions to the list of goods or services covered by the registration shall be allowed at the time of requesting the renewal.

The registration renewal shall mention any reduction or limitation to the list of goods or services identified by the mark.

Amendments and Limitations to the Registration

Section 24. The registration holder shall be entitled to request at any time the modification thereof in order to amend any mistake, subject to the process specified for its registration. The amendment shall not be admitted if it implies essential changes to the mark or an extension of the list of goods or services covered by the registration.

The registration holder shall request at any time the reduction or limitation of the list of goods or services covered by the registration. If a third-party right regarding the mark appears as registered, the reduction or limitation shall only be registered after the submittal of a duly legalized sworn statement rendered by the third party before a Notary, whereby such party consents to such reduction or limitation.

The petition for an amendment, reduction or limitation of the registration shall produce the established fees, excluding the cases when such amendment is the result of a mistake attributable to the Registry, according to Section 108 of this Law.

Division of a Trademark Registration

Section 25. The registration holder shall be entitled to request at any time the division of trademark registration, in order to divide into two or more registrations the goods or services listed in the initial registration. Each divided registration shall preserve the original registration date.

The request for division shall produce the established fees.

CHAPTER IV

RIGHTS, OBLIGATIONS, AND LIMITATIONS CONCERNING THE REGISTRATION

Rights Conferred by the Registration

Section 26. The trademark registration confers its holder the right to action against any third party who, without the holder's consent, carries out any of the following acts:

- a) Reproduce, apply, adhere or fix in any way a distinctive sign that is identical or similar to the registered mark on the goods for which the same has been registered, or on the containers, wrappings, packaging, or arrangement of such goods, or on goods that have been produced, modified or handled by services for which the mark has been registered;
- b) Remove or modify the mark with commercial purposes after its holder or any authorized person has already applied, adhered or fixed it on the products referred to in the preceding subparagraph;
- c) Manufacture labels, containers, wrappings, packaging or other analogous materials that reproduce or bear the mark, as well as commercialize or hold such materials;
- d) Refill or reuse, with commercial purposes, containers, packaging or wrappings that bear the mark;
- e) Commercially use a sign that is identical or similar to the mark of whichever goods or services when such use may cause confusion or risk of association with the registration holder, understanding that the usage of an identical sign for identical goods or services presumably implies that confusion is probable;
- f) Publicly use a sign that is identical or similar to the mark, even if it is for non-commercial purposes, when it may cause the weakening of the distinctiveness or commercial or advertised value of the mark, or an unfair use of its reputation;
- g) In the case of licensed goods, the use by third parties of licensed goods or signs of licensed marks for the purposes of their commercial, advertising or promotional association with marks or establishments owned by any third party; and
- h) Any act of analogous nature that may affect the rights conferred to the mark holder.

The following acts, among others, shall be understood as the usage of a sign in trade:

- a) Introduce in commerce, sell, offer for sale or distribute goods or services bearing the sign or making reference to it;
- b) Import, export, store or transport goods bearing the sign or making reference to it; and
- c) Use the sign in advertising, publications, commercial documents, or written or oral communications, regardless of the means where they are implemented, without prejudice to the regulations on advertising that may be applicable.

Limitations to the Rights on the Mark

Section 27. The trademark registration shall not confer its holder the right to forbid, regarding marketable goods or services, the use of the following by any third party:

- a) The holder's name or address, or those of the holder's business establishments;
- b) Indications or information about the characteristics of the goods or services produced or distributed by the holder including, among others, those regarding quantity, quality, usage, geographical origin or price; and,
- c) Indications or information on the availability, usage, application or compatibility of the goods or services that the holder manufactures or distributes, particularly regarding spare parts or accessories.

The limitations referred to in the preceding paragraph shall apply, provided that the use thereof is in good faith and in the exercise of lawful industrial or commercial activities and implies no confusion regarding the business origin of the goods or services.

Exhaustion of Rights

Section 28. The trademark registration shall not grant its holder the right to forbid a third party the usage of the mark regarding the goods legitimately marked that may have been introduced in the market within the country, either by the holder, by the licensee or by any other party with the consent of the holder or any party financially connected to the holder, provided that those goods and the containers or packaging that are in immediate contact are not modified, altered or damaged by any means.

For the purposes of the previous paragraph, it shall be understood that two persons are financially connected when one may decisively influence the other, either directly or indirectly, with respect to the exploitation of the trademark rights, or when a third party may influence both of them in such manner.

Non-Protected Elements in Complex Marks

Section 29. When the mark consists of a label or other sign composed by a set of elements, the protection shall not be extensive to the elements thereof that are commonly or necessarily used in commerce.

Indication of Origin of Goods

Section 30. Any good that is commercialized within the country shall clearly indicate its place of production or manufacturing, the name of the producer or manufacturer, and the link or relationship between such producer or manufacturer and the holder of the mark used on the product, if they are not the same person, without prejudice to the regulations on labeling and consumer information that may be applicable.

CHAPTER V

TRANSFER, USAGE LICENSE, CHANGE OF NAME, AND PLACE OF RESIDENCE OF THE TRADEMARK HOLDER

Trademark Transfer

Section 31. The right on a registered trademark or in process of registration may be transferred through an *inter vivos* transaction or by succession. Such transfer shall be effective against third parties, provided that it is stated in writing and recorded in the Registry. Such registration shall produce the established fees.

Procedure for the Trademark Transfer

Section 32. For the registration of the transfer of rights on a registered trademark or in registration process, an application with the following information shall be submitted to the Registry:

- a) Designation of the authority to which it is addressed;
- b) Name of the mark holder and name of the transferee, their corresponding nationality and place of residence, and the name, occupation and place of residence of the agent or legal representative, when appropriate;
- c) Number, folio and volume of the Registration Book or the number of the file in which it is being processed and identification of the mark being transferred;
- d) Title by which the transfer is being carried out;
- e) Specific indication of what is being requested;
- f) Accurate address for service; and,
- g) Place and date of the application and signature of the applicant.

The following shall be attached to the application:

- a) A certified copy of the lawfully granted power of attorney if the application is submitted by an agent, unless the Registry has received evidence of the agent's representation; should that be the case, the date and number of registration shall be stated in the application. When the interested party submits the original power of attorney, said party may request it be returned once it is recorded on the file;
- b) The instrument whereby the trademark transfer is documented; and,
- c) The proof of payment of the specified fees.

Once the requirements provided for in the preceding paragraphs have been fulfilled, the Registry shall register the transfer with no further process, ordering that the transfer be stated in writing on the margin of the entry corresponding to the mark.

The Transfer Shall Not Be Subject to Publication

A certificate that accredits the transfer shall be handed in to the holder, issued under the terms of Section 20 of this Law.

The application of a trademark transfer may be concurrently submitted by the assignor and assignees, or otherwise requested by only one of the parties.

Free Transfer of the Trademark

Section 33. The transfer of a trademark right may be carried out regardless of the company or the part of the company of the right holder involved, and may include one, some or all the goods or services for which the mark has been registered. If the transfer is limited to one or some of the goods or services, the registration shall be divided and a new entry shall be registered in favor of the transferee.

Concurrent Transfer of the Trademark and the Company

Section 34. The transfer of a company includes the transfer of rights on every trademark owned by the company, unless otherwise agreed.

Trademark Usage License

Section 35. The right holder of a registered trademark may grant a usage license of the mark. The usage license agreement shall be effective against third parties without a registration requirement²⁰.

Notwithstanding the provisions of the preceding subparagraph, the licensee shall be entitled to request the license registration to the Registry, with the sole purpose of making the existence of the license available to public knowledge.

Unless otherwise stipulated in a license agreement, the following regulations shall apply;

- a) The licensee shall be entitled to use the mark during the entire effective term of the registration, including any renewals thereof, throughout the country, and regarding the goods or services for which the mark is registered;
- b) The licensee shall not be entitled to assign the license or grant sub-licenses; and
- c) The licensor shall be entitled to grant other licenses in the country regarding the same mark and the same goods or services, and may personally use the mark within the country regarding such goods or services.

If a duly registered license agreement involving a foreign mark stipulated so, the licensee shall be entitled to prevent the import of goods that, being protected by the mark relevant to the license, are intended to be introduced into the country for commercial purposes.

²⁰ Amended by Section 10 of Legislative Decree Number 913 dated January 12, 2006.

Likewise, the mark owner shall be entitled to prevent the sale of those goods considered as remnants or with irregular manufacturing quality when exclusively intended for export to companies outside the region, from being sold within the Salvadorian market without the authorization of the corresponding mark owner.

Registration Procedure for a Usage License

Section 36. Should a licensor or licensee be willing to register a usage license for a registered trademark, an application including the following shall be filed before the Registry²¹:

- a) Designation of the authority to which it is addressed;
- b) Name, trade name, nationality and place of residence of the mark owner and the licensee; and the name, occupation and place of residence of the agent or legal representative, when appropriate;
- c) Number, folio and volume of the registration book and identification of the mark which use is granted;
- d) Type of license, term and jurisdiction thereof;
- e) Specific indication of what is being requested;
- f) Accurate address for service; and
- g) Place and date of the application and signature of the applicant.

The following shall be attached to the application:

- a) A certified copy of the lawfully granted power of attorney if the application is submitted by an agent, unless the Registry has received evidence of the agent's representation; should that be the case, the date and number of registration shall be stated in the application. When the interested party submits the original power of attorney, said party may request it be returned once it is recorded on the file;
- b) The instrument that documents the license; and
- c) The proof of payment of the specified fees.

The application to which this section refers may be concurrently requested by both the licensee and the licensor or by only one of the parties.

²¹ Amended by Section 11 of Legislative Decree Number 913 dated January 12, 2006.

Once the requirements provided for in the preceding paragraphs have been fulfilled, the Registry shall register the usage license with no further process, ordering that the usage license be stated in writing on the margin of the entry corresponding to the mark.

The usage license shall not be subject to publication.

A certificate that accredits the usage license shall be granted to the licensee, and it shall include the following requirements:

- a) Full name of the Registry;
- b) Name, trade name, nationality, and place of residence of the mark holder;
- c) Name, trade name, nationality, and place of residence of the licensee;
- d) Specific indication of the mark covered by the license and the number of registration, folio and registration book;
- e) Reference whether the license is exclusive or non exclusive within a specific territory or area;
- f) Term of the license; and
- g) Place and date of the certificate issuance, and the seal and signature of the Registrar.

To the extent appropriate, franchise contracts shall be governed by the provisions on usage license.

Change of Name and Place of Residence of the Holder

Section 37. Individuals or legal entities having lawfully changed or modified their name or trade name or their place of residence shall have such change or modification thereof stated by the Registry on the margin of each entry corresponding to the marks registered as their property.

Procedure for the Change of Name and Place of Residence

Section 38. In order to register any change of name or place of residence of the holder of a registered trademark, an application shall be submitted to the Registry and shall include the following:

- a) Designation of the authority to which it is addressed;
- b) Name, trade name, nationality, and place of residence of the applicant, and name, occupation and place of residence of the agent or legal representative, when appropriate;
- c) Accurate indication of the mark owned by the interested party, and the registration number, folio and volume of the book of registrations;

- d) Specific indication of what is being requested;
- e) Accurate address for service; and,
- f) Place and date of the application and signature of the applicant, or the agent or legal representative, when appropriate.

The following shall be attached to the application:

- a) A certified copy of the lawfully granted power of attorney if the application is submitted by an agent, unless the Registry has received evidence of the agent's representation; should that be the case, the date and number of registration shall be stated in the application. When the interested party submits the original power of attorney, said party may request it be returned once it is recorded on the file;
- b) Sworn statement rendered by the owner or agent to document the change of place of residence, when appropriate;
- c) The instrument whereby the change of name or trade name is documented; and,
- d) The proof of payment of the specified fees.

Once the requirements provided for in the preceding paragraphs have been fulfilled, the Registry shall, with no further process, state the change of name or trade name or place of residence by writing on the margin of the entry corresponding to the mark; such annotation shall not be subject to publication.

A certified copy of the marginal annotation shall be delivered to the mark holder within the term of thirty days following the day of the application submittal.

CHAPTER VI

TERMINATION OF THE TRADEMARK REGISTRATION

Nullity of Registration

Section 39. At the request of any interested person and giving the trademark holder the right to reply, the competent judicial authority shall declare the nullity of a trademark registration if such has been carried out in contravention of any of the prohibitions foreseen in sections 8 and 9 of this Law. Concerning any noncompliance with Section 8, nullity may also requested by the Attorney General's Office.

Nullity of a trademark registration shall not be declared based on grounds that are no longer applicable at the time of filing the petition for nullity.

A request for nullity grounded on any contravention to Section 9 shall be filed within a five-year term after the registration date. The action for nullity shall not prescribe when the registration objected thereby was carried out with malicious intent.

The request for nullity may be filed as a defense or in a cross-action in any claim of registered trademark infringement.

An action for nullity based on the stronger right of third parties on trademark registration may only be filed by the person claiming such right.

Cancellation of the Registration by Request of the Holder

Section 40. The holder of a trademark registration shall be entitled to request, at any time, the cancellation thereof by the Registry. The request for cancellation shall produce the established fees.

In the event of a registered right on the mark in favor of any third party, the cancellation shall only be admissible after the submittal of a sworn statement duly legalized by a notary, granted by the relevant third party, whereby said third party consents to the cancellation.

Procedure for the Cancellation of a Registration

Section 41. The cancellation of a trademark registration shall take effect by the submittal of an application before the Registry that shall include the following:

- a) Designation of the authority to which it is addressed;
- b) Name, trade name, nationality, and place of residence of the applicant, and the name, occupation and place of residence of the agent or legal representative, when appropriate;
- c) Name, folio and registration book, and identification of the mark subject to the application;
- d) Specific indication of what is being requested;
- e) Accurate address for service; and,
- f) Place and date of the application and signature of the applicant.

The following shall be attached to the application:

- a) A certified copy of the lawfully granted power of attorney if the application is submitted by an agent, unless the Registry has received evidence of the agent's representation; should that be the case, the date and number of registration shall be stated in the application. When the interested party submits the original power of attorney, said party may request it be returned once it is recorded on the file;
- b) The proof of payment of the specified fees; and,

c) When appropriate, the documents referred to in the second paragraph of the preceding section.

Once the requirements provided for in the previous paragraphs have been fulfilled, the Registry shall order the cancellation of the registration be recorded by a written statement on the margin of the corresponding entry and the publication of a one-time notice, at the expense of the applicant; said notice shall include:

- a) The name, trade name, nationality, and place of residence of the party waiving the registration right;
- b) Specific indication of the mark which registration was cancelled; and,
- c) The cause of cancellation and the model of the cancelled mark.

Cancellation of Trademark Registration Due to Lack of Use²²

Section 41-A. At the request of any person with a documented legitimate interest and giving the trademark registration holder the right to reply, the competent court shall cancel the registration of a mark if it has not been used in El Salvador for five years prior to the filing date of the cancellation request. The cancellation request shall not be admissible unless five years have elapsed as of the trademark registration date.

When the use of the mark begins five years after the date of granting the respective registration, such use shall impede the cancellation of the registration, provided that said use begins at least three months prior to the filing date of the cancellation request.

When the lack of use refers only to one or some of the goods or services for which the mark has been registered, the registration cancellation shall only apply for such goods or services.

The trademark registration shall not be cancelled due to lack of use, when this is due to justified reasons. Such justified reasons shall be those that arise regardless of the intention of the mark holder and constitute an obstacle to the use of the mark, such as import restrictions or other official requirements imposed on the goods or services protected by the mark.

Use of the Mark²³

Section 41-B. A registered trademark shall be considered to be in use when the goods or services that it identifies have been placed in the market and are available in amounts and by methods regularly considered as appropriate, taking into account the extent of the market, the nature of the goods or services, and the methods used for their marketing. It shall also be considered as use of the mark its utilization regarding goods intended for export from national territory, or regarding services provided abroad from national territory.

A registered trademark shall be used in trade just as it appears on its registration; however, the use of the mark in any way different from the way it has been registered,

²² Added by Section 12 of Legislative Decree Number 913 dated January 12, 2006.

²³ Added by Section 12 of Legislative Decree Number 913 dated January 12, 2006.

only regarding non-essential details or elements that do not alter the identity of the mark, shall not give grounds to registration cancellation, nor shall it reduce the protection granted to the mark. The use of the mark by the licensee or by any other authorized person shall be considered as carried out by the registration holder, for the purposes regarding the use of the mark.

Cancellation Due to Lack of Use as Defense²⁴

Section 41-C. The cancellation of a registration due to lack of use may also be filed as a defense against an objection made by the Registry, an objection filed by a third-party against the trademark registration, a request for nullity of a registration or an action for the infringement of a registered trademark. In such cases, the cancellation shall be settled by the competent court.

The party obtaining a favorable ruling on a cancellation case due to lack of use shall have the right to first refusal regarding the trademark registration. Such right may be invoked as of the filing date of the request for cancellation up to three months after the cancellation ruling is final.

Evidence of Use of the Mark²⁵

Section 41-D. The burden of proof of the use of the mark shall correspond to the mark holder. The use of the mark shall be accredited by any admissible means of evidence that prove that the mark has actually been used, such as commercial invoices, accounting documents or auditing certificates that prove the consistency and amount of trade of the goods identified with the mark. The advertising promotion of the mark by any means shall also constitute the use thereof, even if the goods or services identified by the same are not yet being marketed within the country.

Lapse of a Trademark Registration

Section 42. Ownership rights on a mark shall lapse upon the expiration of the term referred to in the first paragraph of Section 22 of this Law, provided that no registration renewal has been requested.

TITLE III

COLLECTIVE MARKS

Applicable Provisions

Section 43. The provisions of Title II shall apply to collective marks subject to the special provisions included in this Title.

Registration Application for a Collective Mark

²⁴ Added by Section 12 of Legislative Decree Number 913 dated January 12, 2006.

²⁵ Added by Section 12 of Legislative Decree Number 913 dated January 12, 2006.

Section 44. The registration application of a collective mark shall indicate that its subject matter is a collective mark and include three copies of the regulations on the use thereof.

The regulations on the use of the collective mark shall specify the common characteristics or qualities that shall be common to the goods or services for which the mark shall be used, the conditions and modalities by which the mark shall be used, and the persons who shall be entitled to use it. It shall also include provisions aimed to ensure and control the use of the mark in accordance to the regulations of usage and the penalties for noncompliance therewith.

Examination of a Collective Mark Application

Section 45. The examination of a registration application involving a collective mark shall include the verification of requirements of Section 44 of this Law.

Collective Mark Registration

Section 46. Collective marks shall be recorded by the Registry, and a copy of the regulations on the use of the mark shall be included in the registration.

Changes in the Regulations on the Use of a Collective Mark

Section 47. The holder of a collective mark shall inform the Registry about any change in the regulations on the use of the collective mark.

Changes in the regulations on the use of the mark shall be recorded by the Registry upon the payment of the specified fees.

Collective Mark License

Section 48. A collective mark shall not be subject to a usage license by any parties other than those duly authorized to use the mark in accordance with the regulations on the use thereof.

Use of the Collective Mark

Section 49. The holder of a collective mark shall be entitled to use the mark personally, provided that it is also used by other authorized parties under the terms of the regulations on the use of the mark.

The use of a collective mark by any authorized party shall be considered as being used by the holder.

Nullity of the Collective Mark Registration

Section 50. At the request of any interested party and giving the trademark registration holder the right to reply, the competent judicial authority shall declare the nullity of the collective mark registration in any of the following cases:

- a) If the mark is registered in contravention to Sections 8, 9 or 44 of this Law;
and

b) If the regulations on the use of the mark are contrary to morals or public policy.

Cancellation of the Collective Mark Registration

Section 51. At the request of any interested party and giving the trademark registration holder the right to reply, the competent judicial authority shall cancel the registration of the collective mark in any of the following cases:

a) If the collective mark is used for more than one year exclusively by its holder and not by the authorized parties under the terms of the regulations on the use of the mark; and,

b) If the holder of the collective mark uses or allows the use of the mark in a way that contravenes the provisions or regulations on the use thereof, or in a way that is likely to mislead the media or the public on the origin or any other characteristic of the goods or services for which the mark is being used.

TITLE III-BIS²⁶

CERTIFICATION MARKS

Applicable Rules

Section 51-A. Save for any special provision in this Title, the rules on trademarks provided for in this Law and particularly those regarding procedures, validity, renewal, expiration, and amendments of the registry, are applicable to certification marks.

Ownership of Certification Mark²⁷

Section 51-B. Any entity or institution existing under private or public law, national, regional or international, with capacity to carry out quality certification activities may be a holder of a certification mark.

Registration Formalities²⁸

Section 51-C. The application for a certification mark registration shall be accompanied by a set of regulations on the use of the mark, which shall stipulate the characteristics guaranteed by the presence of the mark and method of quality control of such characteristics used prior and subsequent to the authorization granted to use the mark. The regulations for the use shall be previously approved by the competent administrative authority according to the corresponding goods or services and it shall be registered along with the mark.

²⁶ Added by Section 13 of Legislative Decree Number 913 dated January 12, 2006.

²⁷ Added by Section 13 of Legislative Decree Number 913 dated January 12, 2006.

²⁸ Added by Section 13 of Legislative Decree Number 913 dated January 12, 2006.

The provisions of the preceding paragraph shall also apply when there are amendments to the regulations on the use of the mark.

Registration Validity²⁹

Section 51-D. If the holder of the certification mark registration is a public institution, the registration shall be indefinitely valid, and it shall expire upon the dissolution or termination of its holder. If the certification mark holder is a private entity, the registration shall have ten-year validity from the registration date and may be renewed by procedure applicable to marks. The registration of a certification mark may be cancelled at any time at the request of its holder.

Use of the Certification Mark³⁰

Section 51-E. The holder of a certification mark shall authorize the use of the mark to any party whose goods or services, as applicable, fulfills the requirements specified in the regulations on the use of the mark. The certification mark may not be used for goods or services produced, provided or commercialized by the mark holder.

Encumbrance and Transfer of the Certification Mark³¹

Section 51-F. A certification mark, by nature, shall not be subject to any encumbrance, seizure or any other precautionary legal measure or judicial enforcement.

The certification mark may only be transferred with the entity holding the registration. In case of dissolution or termination of the holding entity, the certification mark may be transferred to another suitable entity, subject to authorization by the administrative authority that approved the regulations.

Reservation Concerning Expired Certification Marks³²

Section 51-G. A certification mark which registration has expired, was annulled, cancelled or is no longer in use due to the dissolution or termination of its holder, may not be used or registered as a distinctive sign for a ten-year term as of the annulment, expiry, dissolution or termination, as applicable.

TITLE IV

SIGNS OR EXPRESSIONS OF COMMERCIAL ADVERTISING

Application of the Provisions Regarding Marks

Section 52. Save for the provisions of this Title, all provisions in this Law regarding marks shall apply to expressions or signs of commercial advertising.

Prohibitions to Registration

²⁹ Added by Section 13 of Legislative Decree Number 913 dated January 12, 2006.

³⁰ Added by Section 13 of Legislative Decree Number 913 dated January 12, 2006.

³¹ Added by Section 13 of Legislative Decree Number 913 dated January 12, 2006.

³² Added by Section 13 of Legislative Decree Number 913 dated January 12, 2006.

Section 53. The following shall not be registered as expressions or signs of commercial advertising:

- a) Any element included in any of the prohibitions provided for in subparagraphs c), d), g), h), i), j), k), l), m), and n), Section 8 of this Law,
- b) Any element that is equal or similar or prone to cause confusion with marks that have already been registered or are in registration process;
- c) Any element that includes a distinctive sign owned by another party without due authorization;
- d) Any element which commercial use is prone to cause confusion regarding the goods, services, business or establishment of a third party; and,
- e) Any element included in the prohibitions provided for in subparagraphs d), e), f), g), h), i), and j), Section 9 of this Law.

Protection Scope

Section 54. The protection conferred by the registration of an expression or sign of commercial advertising comprises the expression or sign as a whole and it does not include those parts or elements that are separately considered.

Trademarks and trade names may be part of an expression or sign of commercial advertising, provided they are registered or in process of registration in favor of the same holder.

Once an expression or sign of commercial advertising has been registered, it shall enjoy indefinite protection; however, its existence shall depend, as appropriate, on the trademark or trade name to which it refers.

Procedures for the Registration of Expressions or Signs of Commercial Advertising

Section 55. The registration of an expression or sign of commercial advertising, its amendment, transfer, licensing and annulment shall be carried out in accordance to the procedures specified for trademark registration, as appropriate, and it shall produce the established fees. The Registry shall consider whether the expression or sign of commercial advertising contravenes the provisions of Section 53 of this Law.

TITLE V

TRADE NAMES AND EMBLEMS

CHAPTER I

TRADE NAMES

Application of the Provisions Regarding Marks

Section 56. Save for the provisions in this Title, the rules on trademarks included in this Law are applicable to trade names, to the extent appropriate.

Acquisition of Rights on Trade Names

Section 57. The exclusive right on a trade name is obtained by its first public use in business and only regarding the commercial line of business or activity of the company or establishment it identifies.

The exclusive right on a trade name shall expire with the termination of the company or establishment that uses such name.

If a company has more than one establishment, it may identify them by its trade name.

Inadmissible Trade Names

Section 58. A trade name shall not consist, totally or partially, of a designation or other sign contrary to morals or public policy, or be prone to cause confusion in business circles or to the public regarding the identity, nature, activities, commercial line of business or any other aspect concerning the company or establishment identified with such trade name, or the corporate source, origin or other characteristics of the goods or services that the company produces or commercializes.

Protection of a Trade Name

Section 59. The holder of a trade name shall have the right to action against any third party who, without the holder's consent, uses in business a distinctive sign identical to the protected trade name or a similar distinctive sign prone to cause confusion or a risk of association with the company of the holder or with its goods or services.

The provisions of Sections 27 and 28 of this Law shall apply to trade names, to the extent appropriate.

Trade Name Registration

Section 60. The holder of a trade name may request its registration before the Registry. The registration shall be of declaratory nature.

The trade name registration shall be indefinite, and it shall expire with the termination of the company or establishment that uses the trade name. The registration may be cancelled at any time at the request of the holder.

The trade name registration shall be carried out before the Registry without prejudice to the provisions regarding the registration of the business individuals and corporations in the Commercial Registry, and without prejudice to the rights arising from such registration.

Procedure for Trade Name Registration

Section 61. The registration, amendment and cancellation of a trade name shall be carried out according to the procedures established for trademark registration, to the

extent appropriate, and it shall produce the established fees. The Registry shall determine whether the trade name contravenes the provisions of Section 58 of this Law.

The classification of goods and services used for marks shall not apply to trade name registration.

Transfer of a Trade Name

Section 62. A trade name shall only be transferred together with the company or establishment that uses such name, or with any part of the company or establishment that uses it.

The transfer of a registered trade name or in process of registration shall be recorded in the Registry in accordance with the procedure applicable to trademark transfer, to the extent appropriate, and it shall produce the established fees.

CHAPTER II

EMBLEMS

Emblem Protection

Section 63. Emblem protection and registration shall be governed by the provisions concerning trade names.

TITLE VI

GEOGRAPHICAL INDICATIONS

CHAPTER I

GEOGRAPHICAL INDICATIONS IN GENERAL

Use of Geographical Indications

Section 64. A geographical indication may not be used in trade to designate goods or services if such indication is false or deceptive regarding the geographical origin of such goods or services, or when its use may mislead the public in relation to the origin, source, characteristics or qualities thereof³³.

Use in Advertising

³³ Amended by Legislative Decree Number 986 dated March 17, 2006.

Section 65. A geographical indication likely to mislead or cause confusion regarding the geographical origin of any goods or services shall not be used in advertising or in commercial documents relevant to the sale, display or supply of such goods or services^{34, 35}.

Indications Regarding the Trader

Section 66. Any trader may indicate its name or place of residence on the goods sold by said trader, even if these come from abroad, provided that the name or place of residence is accompanied by the accurate indication, in adequately noticeable characters, of the country or place of manufacture or production of the goods, or by other indication that sufficiently prevents any mistake as to the true origin thereof.

CHAPTER II

DESIGNATIONS OF ORIGIN

Registration of Designations of Origin

Section 67. The Government of El Salvador shall be the holder of national designations of origin, which shall be recorded in the Registry.

National designations of origin shall be registered at the request of one or more producers, manufacturers or craftsmen whose production or manufacture facility is located in the region or locality to which the designation of origin corresponds, or at the request of any competent public authority.

Foreign Producers, manufacturers or craftsmen, as well as competent public authorities of foreign countries, may register foreign designations of origin³⁶.

Registration Prohibitions

Section 68. A sign shall not be registered as a designation of origin if:

- a) It is not according to the definition of designation of origin stated in Section 2 of this Law;
- b) It is contrary to good conduct, morals or public policy, or if it is likely to mislead the public concerning the geographic origin, nature, method of manufacture, characteristics or qualities, or the capability for the use or consumption of such goods³⁷;

³⁴ Amended by Section 14 of Legislative Decree Number 913 dated January 12, 2006.

³⁵ Amended by Legislative Decree Number 986 dated March 17, 2006.

³⁶ Amended by Section 15 of Legislative Decree Number 913 dated January 12, 2006.

³⁷ Amended by Section 16 of Legislative Decree Number 913 dated January 12, 2006.

c) It is the common or generic designation of any good, being a designation common or generic when it is considered as such by those familiar with that type of good as well as by the public in general; or³⁸.

d) It is included in any of the cases stipulated in Section 9 of this Law³⁹.

A designation of origin may be registered when accompanied by the generic name of the respective good or by an expression concerning that good, but the protection shall not extend to the generic name or expression used.

Registration Application

Section 69. The registration application of a designation of origin shall indicate the following:

- a) Designation of the authority to which it is addressed;
- b) Name, nationality and place of residence of the applicant or applicants, with an indication of the location of the production or manufacturing facilities;
- c) Designation of origin for which the registration is being applied;
- d) The geographical area of production to which the designation of origin is referred;
- e) The goods for which the designation of origin is being used;
- f) An account of the essential qualities or characteristics of the goods for which the designation of origin is being used;
- g) Specific indication of what is being requested;
- h) Accurate address for service; and,
- i) Place and date of the application and signature of the applicant or applicants.

The registration application of a designation of origin shall produce the established fees⁴⁰.

Registration Procedure

Section 70. The registration application of a designation of origin shall be examined in order to verify that:

³⁸ Amended by Section 16 of Legislative Decree Number 913 dated January 12, 2006.

³⁹ Amended by Section 16 of Legislative Decree Number 913 dated January 12, 2006.

⁴⁰ Amended by Section 17 of Legislative Decree Number 913 dated January 12, 2006.

- a) The requirements of Section 69 of this Law are met; and,
- b) The designation for which the registration is being applied is not included in the prohibitions provided for in the first paragraph of Section 68 of this Law.

The procedures concerning the examination, publication, objection, and registration of the designation of origin shall be ruled by the provisions on trademark registration stated in Title II of this Law⁴¹.

Granting of the Registration

Section 71. The resolution whereby the registration of a designation of origin is granted and the corresponding entry shall indicate the following:

- a) The delimited geographical area of production where its producers, manufacturers or craftsmen shall have the right to use the designation;
- b) The goods to which the designation of origin is applied; and,
- c) The essential qualities or characteristics of the goods to which the designation of origin shall apply, save for the cases where, due to the nature of the goods or any other circumstance, such characteristics may not be specified.

The decision concerning the preceding paragraph shall be published once in the Official Gazette, and the designation of origin shall become protected as of the day after such publication.

Within a term no longer than six months from the publication referred to in the preceding paragraph, the applicants shall prepare and submit to the Registry the corresponding regulations on the use and administration of the designation of origin in question. The government agencies of Economy, Agriculture and Livestock of the Executive Branch and the National Records Centre shall be part of the administrative body of each designation of origin. No authorization of usage for a designation of origin shall be granted until such regulations have been approved by the Registry and published once in the Official Gazette⁴².

Term and Amendment of a Registration

Section 72. The registration of a designation of origin shall be indefinite and shall be determined by the survival of the conditions that originate it.

The registration of a designation of origin may be amended at any time should there be a change in any of the aspects referred to in Section 71, first paragraph, and it shall be subject to the procedure provided for the registration of designations of origin, to the extent appropriate.

The amendment of a registration shall produce the established fees.

⁴¹ Amended by Section 18 of Legislative Decree Number 913 dated January 12, 2006.

⁴² Amended by Section 19 of Legislative Decree Number 913 dated January 12, 2006.

Right of Use of a Designation

Section 73. The administrative body shall grant the corresponding authorization in order to use a designation of origin, according to the body of rules approved for such purposes. Such authorization of use shall be granted, provided that the examination of the application and the necessary reviews or opinions prove that the requirements provided for in this Law, its regulations, and those specified in the body of rules on the use of a designation of origin are met, especially the following:

- a) The applicant is directly involved in the production, manufacturing or handcraft activity of the goods protected by the designation of origin;
- b) The applicant carries out such activity within the territory covered by the designation according to the corresponding decision of the Registry; and,
- c) The applicant provides evidence to have carried out the productive or handcraft activity to which it applies, in the region or locality covered by the designation of origin, for at least two years prior to the application.

Only producers, manufacturers or craftsmen authorized to commercially use a registered designation of origin shall be entitled to use the expression "DESIGNATION OF ORIGIN" in connection therewith. The designation of origin shall be independent from the trademark that identifies the good to which it applies.

The authorization to use a designation of origin shall be effective ten years from the granting date and it may be renewed for equal periods of time. The user of a designation of origin shall be bound to use it just as it shows to be protected, following all applicable regulations to the extent that there is no risk of discrediting the designation in question; otherwise, after granting the interested party and the entity managing the designation of origin the right to reply, and according to the corresponding body of rules that shall be passed according to this Law, the Registry shall resolve whether or not to cancel the authorization.

The actions regarding the right to use a registered designation of origin shall be exercised before the competent court.

Provisions of Sections 27 and 66 shall apply to the registered designation of origin, to the extent appropriate.

Annulment of Registration

Section 74. At the request of any interested party, the competent court shall declare nullity of the registration of a designation of origin, if it is proven that such designation is included in any of the prohibitions stated in Section 68 of this Law⁴³.

At the request of any interested party, the competent court shall cancel the registration of a designation of origin if it is proven that such designation is used in trade in a way that does not correspond to the terms of the respective registration, according to Section 71, first paragraph, of this Law⁴⁴.

⁴³ Amended by Section 20 of Legislative Decree Number 913 dated January 12, 2006.

⁴⁴ Amended by Section 20 of Legislative Decree Number 913 dated January 12, 2006.

TITLE VII
COMMON STANDARDS
CHAPTER I
PROCEDURES

Representation

Section 75. If the place of residence of the applicant or holder of an industrial property is out of the country, said applicant or holder shall be represented by an agent, provided that the latter is a practicing attorney in the Republic and has no impediment under the terms of Section 99 of the Civil Procedural Code.

It shall not be necessary to submit the power of attorney, appointment or credential that has been previously registered when proceedings are filed before the Registry, it shall only be required to mention the entry of the registration of the instrument that accredits representation.

In serious and urgent events, as qualified by the Registrar, the representation of a spontaneous agent, provided that said agent is an attorney according to the provisions of the last paragraph of Section 10 of this Law, shall be admitted, subject to providing sufficient security, also qualified by the mentioned official, to cover the results of the case findings if the interested party shall not approve what has been carried out on his or her behalf.

Grouping of Requests

Section 76. The application for the registration of a transfer of ownership of two or more applications in process or of two or more registrations may be filed by one single request when the transferor and the transferee are the same in all cases. Such provision shall apply, to the extent appropriate, to the registration of licenses of usage of distinctive signs registered or in registration process, as well as to any change of name, trade name and place of residence⁴⁵.

The request for amendment or correction of two or more registrations or registration applications in process may be filed in a single request, provided that the amendment or correction is the same in all cases.

For the purposes of the provisions in the preceding paragraphs, the petitioner shall identify each application or registration to be amended, corrected or registered.

The corresponding fees shall be paid according to the number of applications or registrations involved.

⁴⁵ Amended by Section 21 of Legislative Decree Number 913 dated January 12, 2006.

Notices

Section 77. All decisions and decrees issued by the Registry shall be personally notified to the interested parties by means of a notice sent to the address provided for service or by a notice that shall be sent by certified mail with acknowledgement of receipt. The terms shall be computed as of the working day following the date when the interested party is notified.

Involvement of Interested Third Parties

Section 78. In any procedure regarding the waiver, nullity or cancellation of a registered right, any licensee and any beneficiary of a registered right regarding the industrial property right relevant to the action may come forward⁴⁶.

Effects of the Declaration of Nullity

Section 79. The effects of the declaration of nullity of a registration shall go back to the date of the corresponding registration, notwithstanding the conditions or exceptions specified in the decision declaring nullity.

When a registration involving the granting of license of usage is declared null, the bidder (sic) shall be exempt from reimbursing the payments made by the licensee, unless the latter has not been benefited from the license.

Abandonment of Procedures

Section 80. Save for other applicable terms particularly provided for in this Law, registration applications and actions filed under the terms of this law shall be considered abandoned and shall lapse by operation of the law if they shall not follow their course within a six-month term as of the last notice made to the interested party or parties, unless there is evidence of an act of God or *force majeure*.

Appeals

Section 81. All appeals determined by the national legislation may be filed against any decisions issued by the Registry.

CHAPTER II

REGISTRATIONS AND PUBLIC NATURE OF PROCEEDINGS

Registration and Publication of Rulings

Section 82. The Registry shall record all decisions referred to the nullity, waiver or cancellation of any registration.

Consultation of Registrations

⁴⁶ Amended by Section 46 of Legislative Decree Number 913 dated January 12, 2006.

Section 83. The registrations of distinctive signs referred to in this Law are public. Any party shall be able to request certifications thereof upon the payment of the established fees.

Consultation of Files

Section 84. Any party shall be able to consult the file of a registration application at the Registry Office.

Any party shall be able to obtain certifications, attestations and copies of the documents incorporated to the file of an application upon the payment of the established fees.

CHAPTER III

CLASSIFICATIONS

Classification of Goods and Services

Section 85. For the purposes of the classification of goods and services for which the marks shall be registered, the International Classification of Goods and Services for the purposes of the Registration of Marks shall apply according to the Treaties, Conventions or Agreements managed by the World Intellectual Property Organization⁴⁷.

The Registry shall settle any doubt regarding the group in which any goods or services should be classified.

Goods or services shall not be necessarily considered similar to one another due to the mere fact of appearing in the same group of the classification referred to in the first paragraph of this section.

Goods or services shall not be necessarily considered different from one another due to the mere fact of appearing in different groups of the classification referred to in the first paragraph of this section.

CHAPTER IV

PREVENTIVE ANNOTATIONS

Request for Preventive Annotation

Section 86. The following may request a preventive annotation:

⁴⁷ Amended by Section 23 of Legislative Decree Number 913 dated January 12, 2006.

a) Any party claiming the nullity of a registration or ownership or license of usage of a trademark, or the ownership of a trade name, emblem or an expression or sign of commercial advertising. The competent judicial authority shall issue the corresponding communication, provided that the title by which the plaintiff intends to justify his right is recorded and incorporated to the file; and

b) Any party to whom the ownership of a mark or the ownership of a trade name, emblem or expression or sign of commercial advertising is transferred, if the instrument whereby the transfer is made lacks any rectifiable legal formality that prevents the final registration of the right⁴⁸.

In both cases, the registrar shall state the volume and folio of the Book of Preventive Annotations in which the entry is registered on the margin of the corresponding entry.

Such registration shall produce the established fees.

Effects of a Preventive Annotation

Section 87. The preventive annotation of a claim under the terms of subparagraph a) of the preceding section shall annul the transfer subsequent to the annotation, and its effects shall last until the cancellation is ordered by means of a final decision or ruling issued by the competent authority.

A preventive annotation due to lack of formalities in the instrument shall be effective for two months.

The effect of a preventive annotation shall be equivalent to those of a registration during the term stated in the preceding paragraph.

A preventive annotation shall become a registration if the party for whom it has been constituted permanently acquires the registered right. In such case, the registration shall be effective as of the filing date of the document.

A preventive annotation shall be null under the same terms applicable to a permanent registration.

TITLE VIII

ACTIONS AND PENALTIES DUE TO THE INFRINGEMENT OF RIGHTS

Civil Action for Infringement

Section 88. Without prejudice to the corresponding criminal actions, supported by this Law, the holder of a protected right may file a civil action before the competent court

⁴⁸ Amended by Section 24 of Legislative Decree Number 913 dated January 12, 2006.

against any party holder of a protected right may file action before the competent court against any party infringing such right. The holder may also file a claim against any party carrying out an action that evidently implies an imminent infringement⁴⁹.

In the case of joint ownership of a right, any of the joint owners shall be entitled to file an action for infringement without the need of approval of the others, unless otherwise agreed.

Legal Standing of Licensees as Plaintiffs

Section 89. A licensee of a mark usage may file an action against any third party who commits an infringement of the right relevant to the license. For these purposes, the licensee who is not appointed by the holder of the right as agent shall accredit at the time of filing the action to have requested the holder to file the claim and that more than a month has elapsed and the holder failed to do so⁵⁰.

Even prior to the lapse of the aforesaid term, the licensee may request precautionary measures be undertaken in accordance to Sections 92 and 93 of this Law.

The holder of the right relevant to the infringement may be considered as a party in the case at any time.

Copies of the claim shall be given to any party with registered rights related to the infringed right. Such parties shall be entitled to be considered as a party in the case at any time.

Measures Due to Action for Infringement

Section 90. In any action for the infringement of protected rights according to this Law, the following measures, among others, may be undertaken⁵¹:

- a) Seizure of infringing goods, including containers, packaging, labels, printed or advertising material and other materials resulting from the infringement, and of the means, instruments, and materials used for the infringement; as well as the documentary evidence regarding the infringement;
- b) Prohibition of the import, export or transit of the goods, materials or means referred to in subparagraph a);
- c) Destruction of the goods relevant to the infringement;
- d) Destruction of the materials and tools that have been used in the manufacture or creation of the infringing goods, without any compensation for the infringer or, in unusual circumstances, without any compensation payable beyond the commercial channels, so the risk of future infringements may be minimized. When considering applications for such destruction, the competent court shall take into account, among other factors, the seriousness of the infringement, as well as the interest of third parties, real right holders, possession right holders, or those with a contractual or secured interest;

⁴⁹ Amended by Section 25 of Legislative Decree Number 913 dated January 12, 2006.

⁵⁰ Amended by Section 26 of Legislative Decree Number 913 dated January 12, 2006.

⁵¹ Amended by Section 27 of Legislative Decree Number 913 dated January 12, 2006.

- e) Ceasing the acts that constitute the infringement;
- f) Compensation for damages caused; and,
- g) Publication of the judgment of conviction and the notice thereof to the interested parties, at the expense of the infringer.

The competent court may request the infringer to provide any information in his possession regarding any person involved in any aspect of the infringement and regarding the means of production or distribution channels of the infringing goods or services, including the identity of third parties involved in the production and distribution, and the distribution channels thereof, and provide such information to the right holder.

Donation of Counterfeit Goods⁵²

Section 90-A. The competent court may order as part of the final ruling the donation of counterfeit trademark goods to charity with the authorization of the right holder. When the competent court considers appropriate, the counterfeit trademark goods may be donated to charity to be used outside commercial channels if the trademark removal eliminates the infringing characteristics of the goods and such goods are no longer identifiable after having removed the mark. In no case shall the mere removal of the illegally affixed mark be sufficient to authorize the entry of the goods into commercial channels.

Expert and Technical Costs⁵³

Section 90-B. If the competent court appoints an expert or specialist in civil actions regarding the compliance of intellectual property rights and demands that the parties bear the costs of the mentioned expert, such costs shall be closely related to, among other facts, the extent and nature of the work to be performed, provided that they do not unreasonably dissuade the parties against the resort to such procedures.

Calculation of the Compensation for Damages

Section 91. Compensation for damages shall be assessed on the basis of the following criteria, among others, as decided by the damaged party⁵⁴:

- a) The damage caused to the right holder as a result of the infringement;
- b) The profits that the right holder would have predictably obtained had the infringement not occurred. To determine the aforementioned, the competent court shall consider, among others, the value of the goods or services subject to the infringement, based on the suggested retail price or other legitimate measure of value submitted by the right holder; or
- c) The price or royalty that the infringer would have paid to the right holder for a contractual license, taking into account the commercial value of the object of the infringed right and the contractual licenses that have already been granted.

⁵² Amended by Section 28 of Legislative Decree Number 913 dated January 12, 2006.

⁵³ Amended by Section 28 of Legislative Decree Number 913 dated January 12, 2006.

⁵⁴ Amended by Section 29 of Legislative Decree Number 913 dated January 12, 2006.

In addition, the infringer shall pay to the right holder the earnings attributable to the infringement that have not been considered when calculating the total amount of damages referred to in the previous subparagraphs.

If the competent court makes an award of court costs, these shall include reasonable fees of the lawyer.

Precautionary Measures⁵⁵

Section 92. Anyone who files or is intending to file an action for infringement of registration rights may request the competent court to order immediate precautionary measures with the purpose of preventing an infringement, avoiding its consequences, obtaining or preserving evidence, ensuring the effectiveness of such action, and compensating damages⁵⁶.

Precautionary measures may be requested prior to, concurrently with or subsequent to the filing of the action for infringement. Measures shall be enforced prior to filing the action, and they shall, as a matter of law, be rendered null and void if the action is not filed within fifteen days as of the enforcement of the measure.

The competent court may require anyone requesting precautionary measures to provide security in an amount sufficient to protect the defendant and prevent abuse, and not to dissuade the possibility to resort to such measures.

The competent court shall order and enforce the requested measures, within the unextendable term of forty-eight hours from the application submittal, provided that it is accompanied by a proof of ownership of the infringed right and the perpetration of the infringement or its imminence is evidenced by means of available considered sufficient by the competent court. In the event that security is requested, the term stated at the beginning of this paragraph shall count from the date of the payment of the bond or required security.

The following precautionary measures, among others, may be ordered:

- a) Immediate termination of the acts that constitute the infringement;
- b) Seizure with inventory, description or deposit of goods, packaging, labels, and other materials bearing the mark or the sign subject to the infringement and of the instruments or materials used to commit the infringement; as well as the documentary evidence relevant to the infringement; and
- c) Suspension of the import, export or transit of the goods, instruments or materials referred to in subparagraph b).

The competent court shall be entitled to request the alleged infringer to provide information in his possession about the people that may have been involved in the production or marketing of the goods of the alleged infringement, and of the means of production and distribution circles of such goods or services; as well as the identity of

⁵⁵ Amended by Section 30 of Legislative Decree Number 913 dated January 12, 2006.

⁵⁶ Amended by Section 30 of Legislative Decree Number 913 dated January 12, 2006.

third parties involved in the production, distribution, and its distribution channels, in order to provide this information to the right holder.

Seizure of Goods and Instruments of the Infringement⁵⁷

Section 93. The precautionary measures that shall be applied at the border shall be enforced by the customs authorities at the time of the import, export or transit of the goods, instruments or materials subject to the infringement.

Goods that bear illicit marks or distinctive signs, the advertising material that refers to such marks or signs, and the instruments or materials that have been used to commit an infringement shall be withdrawn or seized by the competent customs authorities or the police, pending the outcome of the corresponding procedure.

The customs authority or police shall be exempt from all responsibility in the exercise of the authority established in this section unless it is proven that they have acted with malicious intent.

Actions Against the Misuse of Geographical Indications

Section 94. Any competent authority or interested party and, in particular, producers, manufacturers, craftsmen, and consumers may file an action, individually or jointly, for the purposes of enforcing the provisions of sections 64 and 65 of this Law.

Prescriptive Period of the Action⁵⁸

Section 95. Any civil action against an infringement of the rights granted by this Law shall prescribe five years after the last occurrence of the infringement.

Border Measures⁵⁹

Section 96. The right holder may request the competent court to suspend the import, export or transit of goods with presumably counterfeit or confusingly similar trademarks, and they shall be required to submit sufficient proof to evidence to the competent court the assumption of infringement of the intellectual property right, and to supply sufficient information of the goods reasonably known by the right holder, so those may be recognized easily. The requirement to provide sufficient information shall not dissuade parties against the resort to these procedures.

The competent court may request the right holder to file procedures for the suspension, to provide reasonable security in an amount sufficient to protect the defendant and the competent authorities and prevent abuse. The amount of security shall not dissuade the parties against the resort to these procedures. Such security may be documented by an instrument issued by a supplier of financial services to keep the importer or owner of imported goods free from any loss or damage resulting from any suspension of the dispatch of the goods, in case the competent court determines that they do not constitute an infringed good.

Once the suspension has been enforced, the customs authority shall immediately notify it to the importer or exporter of the goods and to the applicant of the measure.

⁵⁷ Amended by Section 31 of Legislative Decree Number 913 dated January 12, 2006.

⁵⁸ Amended by Section 32 of Legislative Decree Number 913 dated January 12, 2006.

⁵⁹ Amended by Section 33 of Legislative Decree Number 913 dated January 12, 2006.

Border measures may be ordered *ex officio* regarding goods, either imported, exported or in transit assumed to infringe an intellectual property right, without the need of a formal application from the right holder or any individual.

When there is a charge for an application or storage of the goods regarding border measures for intellectual property rights enforcement, the charge shall not be set in an amount that discourages against the resort to such measures.

Term of the Suspension of Goods (sic) at Borders⁶⁰

Section 97. If a legal action is not filed within the ten working days following the order of the measures referred to in the preceding section, the latter shall, by operation of law, be rendered null and void, and the plaintiff shall be subject to the provisions of the last paragraph hereof. When a case is duly justified, the term shall be extended for ten additional working days.

When the suspension is ordered as provisional measure, the deadline established for such measures shall apply.

Once the judicial action on the merits has been filed, the party affected by the suspension may request the judge to consider the suspension ordered, giving the parties the right to reply for these purposes. The competent judge may amend, revoke or confirm the suspension.

The applicant of border measures shall be liable for the damages resulting from their enforcement if the measures are removed or revoked due to an action or omission by the applicant, or if at a later time it is decided that there was no infringement or imminence of infringement of an industrial property right.

Right of Inspection and Information with Regard to Border Measures⁶¹

Section 98. Without prejudice of providing protection to confidential information, the Competent Judge ordering the border measure may authorize the party requesting the measure to freely access to withdrawn goods, so that the latter may inspect them and obtain additional means of evidence to support his or her claim. The importer or exporter shall have the same right. This measure shall be enforced in the presence of the respective Competent Judge, giving the opposing party the right to reply.

Once the existence of the infringement is verified, the plaintiff shall be given the name and address of the consignor, importer or exporter, and consignee of the goods, and the quantity of goods subject to suspension.

Measures Against Counterfeit Goods⁶²

Section 99. The competent court shall order the destruction of the goods considered counterfeit, unless the right holder agrees that they be disposed of in any other way. Goods of counterfeit trademarks may be donated to charity to be used outside the commercial channels, when the trademark removal eliminates the infringing characteristics of the goods and such goods are no longer identifiable after the mark is removed. In no case shall the mere removal of the illegally affixed mark be sufficient to

⁶⁰ Amended by Section 34 of Legislative Decree Number 913 dated January 12, 2006.

⁶¹ Amended by Section 35 of Legislative Decree Number 913 dated January 12, 2006.

⁶² Amended by Section 36 of Legislative Decree Number 913 dated January 12, 2006.

authorize the entry of the goods into the commercial channels. In no case shall the export of counterfeit goods confiscated by the customs authorities be permitted, or be subject to a different customs procedure, except in extraordinary circumstances.

TITLE IX

UNFAIR COMPETITION

General Clause

Section 100. Any action carried out in the exercise of a business activity or arising thereof, contrary to honest commercial uses and practices shall be considered unfair.

For the purposes of this Law, an action shall be considered to have effects on the market, regardless of the means used to accomplish it, including electronic, commercial and mass media.

The enforcement of the provisions of this Law shall not be subject to the existence of a competitive relationship between the party carrying out the action considered unfair and the party affected by such action.

Actions of Unfair Competition Related to Industrial Property

Section 101. The definition of actions or behavior in this Law shall be declarative but not exhaustive, and any action or behavior that despite not being included in this Law is considered unfair according to the terms of the preceding section shall be prohibited.

The following, among others, are considered acts of unfair competition:

- a) Any action capable of causing confusion or a risk of association regarding the goods, services, business or establishments of another;
- b) The use or spreading of false indications or allegations capable of denigrating or discrediting the goods, services, business or establishments of another;
- c) The use or spreading of indications or allegations, or the omission of genuine information, when it is liable to mislead regarding the origin, nature, method of manufacture, suitability for usage or consumption, quantity or other characteristics of one's own goods or services or those of another;
- d) The use of a good commercialized by a third party to mold, trace, copy or unlawfully reproduce in any other way this good in order to take advantage, with commercial purposes, of the results of the effort or reputation of another;
- e) The use as mark of a sign which registration is prohibited according to Section 8, subparagraphs g), h), i), j), k), l), m), n), and o), of this Law;

f) The use in commerce of a sign which registration is prohibited according to Section 9 of this Law; and,

g) The use of wrappings, packaging, containers, cans, decoration of goods and establishments when these are characteristic and likely to cause confusion with those of another holder.

Action Against an Act of Unfair Competition

Section 102. Notwithstanding the provisions of the following paragraph, any interested party may request the competent judicial court to determine and declare the unlawful nature of an alleged act of unfair competition.

Any interested party may file a claim against an act of unfair competition. In addition to the party directly disadvantaged by the action, any association or organization which represents a professional, business or consumer sector shall be able to file a claim if the interests of its members are affected.

The provisions of Sections 88, 89, 90, 91, 92, and 94 are applicable, as appropriate, to commercial or criminal actions that are filed against any act of unfair competition. The relevant provisions of ordinary law regarding the wrongful act are also applicable.

Prescriptive Period for an Action of Unfair Competition

Section 103. The action for unfair competition shall prescribe two years as of the time the holder is aware of the act of unfair competition, or five years after such act has been committed, whichever comes first.

TITLE X

INDUSTRIAL PROPERTY REGISTRY

CHAPTER I

GENERAL PROVISIONS

Competence of the Registry⁶³

Section 104. For the purposes of this law, the administration of industrial property shall be responsibility of the Registry, which is a branch of the National Registry Center. The Registry shall be headed by a Director who shall be a Lawyer and Notary or a professional in any other field; there shall also be Deputy Registrars who shall be Lawyers and Notaries.

Impediments to the Duties of the Registrar

⁶³ Amended by Section 37 of Legislative Decree Number 913 dated January 12, 2006.

Section 105. The Director of Intellectual Property and his subordinates shall be prohibited to file a proceeding before the Registry, either directly or indirectly, on their own behalf or on behalf of third parties.

Registry officials and employees shall maintain strict impartiality in all of their actions.

Contraventions of the provisions of this section shall be penalized in accordance with the Law.

CHAPTER II

REGISTRY MANAGEMENT

Books

Section 106. The registration of distinctive signs shall be recorded in books or by any electronic means, either existing or future.

Access to Registry Documents

Section 107. The books or other means by which registrations are recorded shall not be removed from the Registry offices and any judicial or administrative enquiry shall take place there, before an official designated by the Registrar. The aforesaid provision shall apply without prejudice to the terms of Section 48 of the Law on the Jurisdiction of Administrative Disputes.

At the request of an interested party, the Registrar shall be able to return to said party any document that said party has submitted to the Registry for any proceeding and requires not to be retained. Photocopy thereof, duly compared with the document to be returned, shall be incorporated to the file, at the expense of the interested party.

CHAPTER III

CORRECTION OF REGISTRATION ENTRIES

Corrections

Section 108. The Registrar may personally correct, under the Registrar's responsibility, the omissions or material errors incurred in the entries of the Registry Books, if the documents supporting the corresponding registration are still at the office.

It is considered as a material error any word mix-up, mistake names, corporate names or quantities.

If the Registrar noticed the material error or omission after the documents or titles have already been returned to the interested party, the Registrar may only to make the corresponding correction after giving notice thereof to the interested party, ordering the submittal of the documents or titles to the Registry, and provided that it is proven that such documents have not been altered. Such correction may also be requested by the interested party.

The correction shall imply the recording of a new registration or entry at no extra charge for the interested party.

TITLE XI

FEES

Industrial Property Fees

Section 109.

- a) Trademark registration application: \$CA 100.00
- b) Registration application of a trade name, emblem, expression or sign for commercial advertising or designation of origin: \$CA 75.00
- c) Renewal of a trademark registration, in each class: \$CA 100.00
- d) Surcharge for renewal during grace period – within the first month: an additional 30%; after the first month: an additional 100%
- e) Request for recording a cancellation of the registration or a voluntary reduction or limitation of the list of goods and services: \$CA 20.00
- f) Registration application of a correction, change of trademark regulations, transfer, license of use, change of name or place of residence: \$CA 30.00
- g) Issuance of a duplicate registration certificate: \$CA 15.00
- h) Replacement of a signboard:
 - If the error or loss is not attributable to the Registry: \$CA 15.00
- i) Registration of a preventive annotation: \$CA 5.00
- j) Literal certification of a registration: \$CA 10.00
- k) Each documentary proof or certification of a document: \$CA 10.00

- l) Copy of any document: \$CA 5.00
- m) Request of a registration division: \$CA 20.00
- n) Literal certification of a file: \$CA 30.00
- o) Search of holder of the trademark and other commercial distinctive signs already registered or in process: \$CA 100.00
- p) Search for prior trademarks and other commercial distinctive signs already registered or in process: \$CA 20.00

Every service provided by the Registry shall be subject to the payment of these fees.

The State and the Municipalities shall be exempt of the payment of registration duties.

TITLE XII

COMMON AND TEMPORARY PROVISIONS AND TERMS

Applications and Actions in Process in Relation to Distinctive Signs

Section 110. Any application or pending process in the Registry and any action already submitted prior to the effective date of this Law shall continue its process in accordance with the earlier enforceable law.

Registrations in Force

Section 111. Trademarks and other distinctive signs registered in accordance with the earlier Laws shall preserve the validity that such Law has granted them, but any process or action filed in relation to such registrations shall be processed according to the provisions of this Law.

Objection to Registration Renewal

Section 112. Prior to granting the registration renewal of a trademark that has been registered prior to the validity of this Law, the Registrar shall publish a notice in the Official Gazette three times within a thirty-day period and at the expense of the applicant, so any interested party, within the two months following the date of the first publication, may object to such renewal based on the grounds specified in Section 8 subparagraphs g), h), and k), and Section 9 subparagraphs d), e), and f). This is also applicable when the objecting party has requested the renewal prior to the registration application of said trademark, in any country where it has also become famous or well-known. If the aforementioned facts are proven, the registration renewal shall be denied.

Such action shall be processed by a summary trial before the competent courts.

For such purposes, the interested party shall accredit the claim submittal by means of a stamped and dated copy thereof, which shall be submitted to the Registry within the fifteen days following the objection application.

Competent Courts⁶⁴

Section 113. Until the Special Judicial Courts are created with jurisdiction regarding Intellectual Property, the competent courts referred to in this Law are those courts with jurisdiction on commercial matters, which shall proceed by means of a summary trial.

Precautionary measures shall also be ordered by competent courts in judicial proceedings for criminal infringements.

Internet Domain Names⁶⁵

Section 113-A. In relation to cybernetic piracy of marks, the national administrative entity of the country code Top-Level Domain shall follow established proceedings for the ruling of disputes based upon the principles specified in the Uniform Domain-Name Dispute Resolution Policies.

Furthermore, such entity shall provide on-line public access to a reliable and accurate database with contact information for the registrants of domain names. In regards to the information published by the national administrative entity of the country code Top-Level Domain, legal provisions on the protection of privacy of the registrants shall apply.

Regulations

Section 114. The General Regulations of this Law shall be issued by the President of the Republic in a ninety-day period from the date this Law enters into force.

Purpose of Headings

Section 115. The titles heading the sections of this Law are of an exclusively indicative nature; therefore, they have no effects on the interpretation of the provisions of this Law.

Repeals

Section 116. This Law repeals the following:

- a) Sections "B" and "C" of Chapter II, Title I, Book Three of the Code of Commerce; and
- b) Any provision contrary to this Law.

Validity

⁶⁴ Amended by Section 38 of Legislative Decree Number 913 dated January 12, 2006.

⁶⁵ Amended by Section 39 of Legislative Decree Number 913 dated January 12, 2006.

Section 117. This Law shall enter into force eight days after its publication in the Official Gazette.

GRANTED IN THE LEGISLATIVE PALACE in San Salvador, on June 6, 2002.

CIRO CRUZ ZEPEDA PEÑA,
PRESIDENT

WALTER RENE ARAUJO MORALES,
FIRST VICE PRESIDENT

JULIO ANTONIO GAMERO QUINTANILLA
SECOND VICE PRESIDENT

RENE NAPOLEON AGUILUZ CARRANZA,
THIRD VICE PRESIDENT

CARMEN ELENA CALDERON DE ESCALON,
FIRST SECRETARY

JOSE RAFAEL MACHUCA ZELAYA,
SECOND SECRETARY

ALFONSO ARISTIDES ALVARENGA,
THIRD SECRETARY

WILLIAM RIZZIERY PICHINTE,
FOURTH SECRETARY

RUBEN ORELLANA MENDOZA,
FIFTH SECRETARY

PRESIDENTIAL PALACE: San Salvador, June 13, 2002.

TO BE PUBLISHED,

FRANCISCO GUILLERMO FLORES PEREZ,
President of the Republic

MIGUEL LACAYO,
Minister of Economy