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Implementation of Directive (EU) 2015/2436 to
approximate the laws of the Member States
relating to trademarks

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1. Introduction

Today, 14 January 2019, Title I of Royal Decree-law 23/2018 of 21 December implementing Directive (EU) 2015/2436 of the European Parliament and of the Council of 16 December 2015 to approximate the laws of the Member States relating to trademarks (the “**Royal Decree-law**” and the “**Directive**”, respectively) into the Spanish legal framework and amending Law 17/2001 of 7 December on Trademarks (the “**Spanish Trademark Law**”), comes into force.

The main key changes that the Royal Decree-law has introduced into the Spanish Trademark Law are summarised below.

2. Key changes

2.1. AMENDMENTS TO THE CONCEPT OF TRADEMARK

A) Exclusion of the requirement that the sign subject of the trademark must be capable of graphical representation

Article 4 of the Spanish Trademark Law defined the concept of trademark as all distinctive signs that are capable of graphical representation provided that the sign is capable of distinguishing the goods or services of one undertaking from those of other undertakings.

The Royal Decree-law removes the graphical representation requirement that was required previously in order to register a sign. Henceforth, it is only required that the sign the subject of the trademark application must be capable of being represented on the Trademark Register (even if the representation is not graphical) in a manner that enables it to safely determine the object of the required protection that is conferred by the trademark to the proprietor. For that purpose, according to Recital II of the Royal Decree-law, a sign must be capable of being represented in a manner that is clear, precise, self-contained, easily accessible, intelligible, durable and objective. The new wording will permit signs to be represented in any appropriate form using generally available technology (as long as the representation is satisfactory for register purposes).

B) Colour trademarks

The Royal Decree-law has for the first time incorporated colour into the Spanish legal framework as a sign capable of trademark registration. This represents the culmination of a long-term process that has now departed from the stance that a colour on its own does not warrant examination as an absolute ground for refusal of a trademark registration (*vid.* article 11 of Law 32/1988 of 10 November on trademarks) and has been gradually shaped to comply with European Union legislation.

Accordingly, several EU (*vid.* among others, Judgment of the Court of Justice of the European Communities, 6 May 2003, C-104/101 *Libertel Groep BV Vs Beneleux-Merkenbureau*) and Spanish (*vid.* Judgment of the Spanish Supreme Court, Third Chamber, Administrative proceedings, 3rd

Section, 2 December 2013, Appeal 4301/2012) cases have expressly recognised the capability of colours to be registered as trademarks under certain conditions. Therefore, the amendment of article 4 of the Spanish Trademark Law does not constitute a substantial legislative change regarding this matter. Nevertheless, the inclusion of colour within the concept of the trademark confirms the case law mentioned and consolidates the harmonisation process referred to above.

2.2. EXCLUSION OF THE CONCEPT OF NOTORIOUS TRADEMARK OR TRADE NAME

The exclusion of the distinction between notorious trademarks or trade names and trademarks or trade names that have a reputation is one of the most significant amendments introduced by the Royal Decree-law. Henceforth, a single category is established: trademarks or trade names that have a reputation.

In turn, the Royal Decree-law distinguishes between two kinds of trademarks that have a reputation: (i) trademarks that have a reputation in Spain, in the case of a Spanish trademark; and (ii) trademarks that have a reputation in the European Union, in the case of a European Union trademark.

Without limiting the foregoing, the scope of protection conferred by the Spanish Trademark Law to these kinds of signs with a reputation among the target audience has not been altered by the entry into force of the Royal Decree-law. However, it is noteworthy that the new wording that has been incorporated is in line with the express wording of the Directive, which foregoes stating that infringement of a trademark with a reputation requires a connection between the goods or services identified by the conflicting signs, as set out in former article 8.1 of the Spanish Trademark Law of 2001. This is nevertheless a minor matter given that the connection criterion is fully implemented in the legal system. However, it is worth recognising that this particular aspect of the previous wording of the Spanish Trademark Law had clear foresight and was innovative in nature.

2.3. MEASURES AGAINST COUNTERFEIT GOODS IMPORTED FROM THIRD COUNTRIES

The Royal Decree-law also introduces an important change to strengthen trademark protection in the fight against counterfeiting. In particular, the right of the proprietor of a registered trademark to exercise his or her *ius prohibendi* right against infringing goods from third countries transiting through Spanish territory (goods that are, therefore, not intended to be marketed in Spain) is established. However, [it is important to warn that] the entitlement of the trademark proprietor will cease if evidence is provided by

the declarant or holder of the imported goods that the proprietor of the registered trademark is not entitled to prohibit the placing of the infringing goods on the market in the final country of destination.

2.4. PROTECTION OF THE RIGHT OF THE PROPRIETOR OF A SUBSEQUENTLY REGISTERED TRADEMARK IN INFRINGEMENT PROCEEDINGS

In line with case law of the Court of Justice of the European Union concerning strategies related to the registration of “defensive trademarks”, Spanish jurisprudence put an end to these strategies (*vid.* among others, Judgment of the Spanish Supreme Court, First Chamber, Civil proceedings, 1st Section, 14 October 2014, Appeal 2478/2012 and Judgment of the Spanish Supreme Court, First Chamber, Civil proceedings, 1st Section, 24 October 2014, Appeal 808/2013) by adopting the conclusion reached by the Court of Justice of the European Union in case C-561/2011 *Fédération Cynologique Internationale vs. Federación Canina Internacional de Perros de Pura Raza* (*vid.* Judgment of the Court of Justice of the European Union, 21 February 2013, in case C-561/2011). The Royal Decree-law will fuel these strategies by recognising specific cases in which the proprietor of the earlier trademark may not successfully enforce the right conferred by the earlier trademark. However, an in-depth analysis of the issue shows that the new provision does not entail any significant substantive amendment, but does clarify the order in which matters must be decided.

In particular, the new article 41 *bis* of the Spanish Trademark Law provides that the proprietor of a sign will not be entitled to prohibit the use of a subsequently registered trademark where: (i) the proprietor of the earlier trademark has acquiesced –for a period of five successive years– to the use of the subsequently registered trademark (*ex* 52.2 of the Spanish Trademark Law); (ii) the earlier trademark lacks distinctive character or reputation (*ex* article 53 of the Spanish Trademark Law); or (iii) there are grounds for revoking the earlier trademark due to lack of use (*ex* article 59.5 of the Spanish Trademark Law). In those cases, article 41 adds that the proprietor of the subsequently registered sign will not be entitled to prohibit the use of the earlier trademark in infringement proceedings, even though that earlier right may no longer be invoked against the subsequently registered sign. The recent Royal Decree-law thus recognises a sort of right of prior use, the contours of which have not been well designed and which will invariably lead to disputes.

2.5. CHANGES REGARDING PROCEDURAL ISSUES

The Royal Decree-law likewise sets forth, among its various changes, several amendments concerning different elements that are present in the various proceedings that may be brought in relation to trademarks. Some of these changes entail substantial modifications *vis-à-vis* the previous regulation, the most important of which include the following:

- a) In terms of opposition proceedings, the applicant for a trademark is entitled to request that the proprietor of an earlier trademark who has given notice of opposition furnish proof that the earlier trademark has been put to genuine use or that proper reasons for non-use existed. Ultimately, this is a familiar provision that is part of opposition proceedings for European Union trademarks before the European Union Intellectual Property Office (EUIPO) and which is now established for Spanish national trademarks.
- b) With respect to trademark renewal proceedings, the Royal Decree-law enables the adoption of measures by the Administration] through legislation that expedites the formalities that interested parties must followed. For example, it may be established that, for cases of total renewal of the trademark, receipt of payment of the renewal fees is to be deemed to constitute a request for renewal.
- c) Concerning invalidity or revocation proceedings, apart from the recognition of the standing to bring invalidity or revocation proceedings before the judicial authority by means of a counterclaim, direct competence to declare whether a trademark will be declared invalid or revoked is also conferred to the Spanish Trademark and Patent Office (*Oficina Española de Patentes y Marcas*). Thus, these proceedings will also be expedited. In any case, this provision will not come into force until 14 January 2023.
- d) With regard to licensee standing and entitlement to bring infringement proceedings, the new wording of article 48.7 of the Spanish Trademark Law sets out the general principle that the licensee may bring proceedings for infringement of a trademark only if its proprietor consents to it doing so. However, the holder of an exclusive licence may bring such proceedings if the proprietor of the trademark, after formal notice, does not itself bring infringement proceedings.

In this sense, as a closing clause, article 48.7 of the Spanish Trademark Law establishes that articles 117.3 and 4 of Law 24/2015 of 24 July on Patents (the “**Spanish Patent Law**”) shall apply to the holder of an exclusive licence.

Hence, and by means of an express reference provided in article 117.3 of the Spanish Patent Law, the holder of an exclusive licence may request, through formal notice, that the proprietor of a trademark file the corresponding legal action. If the proprietor of a licensed trademark refuses to do so or does not file the corresponding action within three months, the holder of the exclusive licence shall be entitled to file such action on its own behalf by enclosing the formal notice submitted to the proprietor of the trademark involved. Additionally, and prior to the mentioned three-month period, the holder of an exclusive licence will be entitled to request urgent injunctive relief from the competent judicial body when it is considered justified in order to prevent serious damage. A formal notice to the proprietor of the trademark will also be mandatory in this case.

Moreover, and by means of an express reference provided in article 117.4 of the Spanish Patent Law, a licensee that may bring proceedings for infringement by virtue of article 48.7 of the Spanish Trademark Law must submit a formal notice to the proprietor of the trademark. The latter shall be entitled to appear in court and participate in the proceedings, both as an actual party or as an intervener.

However, even if this amendment, which identically reproduces the original wording of the Directive, does not *per se* constitute a change in our regulation —as article 22.3 of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trademark already contained a similar provision, which is also included in article 25.3 of the current Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trademark— it is indeed a legislative change in terms of Spanish national trademark law.

With regard to this particular matter, it is important to note that the new wording of article 48 of the Spanish Trademark Law does not expressly resolve two topics that have been the subject of intense debate over the course of the years; in particular: (i) the requirement —or lack of requirement— for licences to be registered in order to permit the licensee to bring trademark proceedings; and (ii) the potential standing of the holder of a non-exclusive licence in terms of

trademark infringement. Although, in the second case, it appears that standing will only be conferred by the licence agreement or the express consent of the proprietor of the trademark. Ultimately, both matters will be the subject of controversy.

- e) The Royal Decree-law also incorporates a new section 48.8 into the Spanish Trademark Law, by virtue of which any licensee of a trademark will be entitled to participate in infringement proceedings brought by the proprietor of the sign at issue. However, in principle, the participation of the licensee in those cases will be limited to obtaining compensation for damage it suffered.

2.6. OTHER RELEVANT PROVISIONS

- a) The regulation that prohibits the agent or representative of a proprietor of a trademark from registering a trademark in his or her name without the proprietor's consent has been simplified by removing references to the Paris Convention and the World Trade Organization.
- b) The list of circumstances in which the proprietor of a trademark will be entitled to prohibit a third party from using a sign has been simplified and extended. In particular, a reference has been added to the entitlement to prohibit use of a sign in comparative advertising in a manner that is contrary to Directive 2006/114/EC of the European Parliament and of the Council of 12 December 2006 concerning misleading and comparative advertising.
- c) Finally, the list of persons entitled to request registration of guarantee or certification trademarks has also been expanded. Any natural or legal person, including institutions, authorities and bodies governed by public law, will be entitled to request such registration.

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