

SPAIN

Trademark Act

Law No. 17/2001 of December 7, 2001

(Consolidated Text Including the Amendments Made by Law 20/2003, of July 7, 2003, on Legal Protection of Industrial Designs)

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TITLE I GENERAL PROVISIONS

Article 1. Sphere of Application

(1) For the protection of distinctive signs, the following industrial property rights shall be granted in accordance with this Law:

- (a) trademarks;
- (b) trade names.

(2) Applications, grants and the other legal acts or business affecting the rights indicated in the previous subparagraph shall be entered in the Register of Trademarks, according to the provisions of this Law and the Regulations relating thereto.

(3) The Register of Trademarks shall be unique throughout the national territory and shall be kept by the Spanish Patent and Trademark Office, without prejudice to the powers entrusted to the Autonomous Communities in the enforcement of industrial property laws, according to the provisions of this Law.

Article 2. Acquisition of Rights

(1) The right of ownership in a trademark and a trade name shall be acquired by means of valid registration in accordance with the provisions of this Law.

(2) Where the registration of a trademark has been applied for with the dishonest use of the rights of a third party or an infringement of a legal or contractual obligation, the injured party may claim ownership of the trademark in the courts, provided that he files a claim in timely fashion prior to the date of registration, or within five years of the publication of the registration or from the time when the registered trademark has begun to be used in accordance with Article 39. Once the claim has been filed, the relevant court shall give notification thereof to the Spanish Patent and Trademark Office for the purposes of entry in the Register of Trademarks and shall decree, where appropriate, that the trademark registration procedure be suspended.

(3) If, as a result of the decision which settles a claim, there is a change in ownership of a trademark, the licenses and other rights of third parties therein shall be extinguished with the entry of the new owner in the Register of Trademarks, without prejudice to any right which those third parties may have to demand transfer to them.

Article 3. Legitimation

(1) Natural or legal persons of Spanish nationality and foreign natural or legal persons whose habitual residence is, or who have a real and effective industrial or commercial establishment on Spanish territory, or who enjoy the benefits of the Paris Convention for the Protection of Industrial Property of March 20, 1883, in accordance with the provisions of the Act of this Convention in force in Spain, hereinafter referred to as "the Paris Convention", may obtain the registration of trademarks or trade names, as may nationals of the Members of the World Trade Organization.

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

(3) The persons mentioned in paragraph (1) may invoke, for their own benefit, the provisions of the Paris Convention and those of any other international treaty ratified by Spain, in so far as they are applied directly and are more favorable to such persons than the provisions of this Law.

TITLE II CONCEPT OF A TRADEMARK AND REGISTRATION PROHIBITIONS

Chapter I Concept of a Trademark

Article 4. Concept of a Trademark

(1) A trademark means any sign able to be represented graphically and used to distinguish in the market the goods or services of one company from those of other companies.

(2) Such signs may in particular be:

- (a) words or combinations of words, including those used to identify individuals;
- (b) images, figures, symbols and drawings;
- (c) letters, numbers and combinations thereof;
- (d) three-dimensional forms including wrappers, packaging and the shape of a product or its presentation;
- (e) sounds;
- (f) any combination of the signs which, for declaratory purposes, are mentioned in the previous subparagraphs.

Chapter II Absolute Prohibitions

Article 5. Absolute Prohibitions

(1) The following signs may not be registered as a trademark:

- (a) those which may not constitute a trademark as they do not comply with Article 4(1) of this Law;
- (b) those which are not distinctive in nature;
- (c) those which consist exclusively of signs or indications which may be used in trade to designate the species, quality, quantity, purpose, value, geographical origin or period of production of the good or provision of the service, or other characteristics of the good or service;
- (d) those which consist exclusively of signs or indications which have been converted into those used habitually to designate the goods or services in common parlance or in fair and constant trade practices;
- (e) those consisting exclusively of the form imposed by the nature of the good itself or of the form of the good necessary to obtain a technical result, or of the form which gives substantial value to the good;
- (f) those which are contrary to the Law, public policy or morality;
- (g) those which may mislead the public, for example as to the nature, quality or geographical origin of the good or service;
- (h) those used to identify wines or spirits and which contain or consist

of indications of geographical origin which identify wines or spirits that do not have such an origin, including when the true origin of the good is indicated or the geographical indication is used in translation or accompanied by expressions such as "class," "type," "style," "imitation" or other similar expressions;

(i) those which reproduce or imitate the armorial bearings, flag, insignias and other emblems of Spain, its Autonomous Communities, municipalities, provinces or other local entities, unless due authorization is provided;

(j) those which have not been authorized by the competent authorities and have to be rejected under Article 6ter of the Paris Convention;

(k) those which include insignias, emblems or armorial bearings other than those envisaged in Article 6ter of the Paris Convention and which are of public interest, except where their registration is authorized by the competent authority.

(2) The provisions of paragraph (1)(b), (c) and (d) shall not apply where the trademark has acquired, for the goods or services for which registration is sought, a distinctive character as a consequence of such use as has been made of the trademark.

(3) A combination of various signs among those mentioned in (1)(b), (c) and (d) may be registered as a trademark, provided that said combination has the distinctive character required by Article 4(1) of this Law.

Chapter III Relative Prohibitions

Article 6. Prior Trademarks

(1) Signs may not be registered as trademarks if they are:

(a) identical to a prior trademark which designates identical goods or services;

(b) identical or similar to a prior trademark and, since the goods or services which they designate are identical or similar, there is a risk of confusion among the public; the risk of confusion shall include the risk of association with the prior trademark.

(2) For the purposes of paragraph (1), prior trademarks mean:

(a) registered trademarks, the application for registration of which has a filing or priority date prior to that of the application under examination, and which belong to the following categories:

(i) Spanish trademarks;

(ii) trademarks which have been the subject of an international registration

which has effect in Spain;

(iii) Community trademarks;

(b) registered Community trademarks which, in accordance with the relevant Regulation, validly claim the age of one of the trademarks mentioned in (a)(i) and (ii), even where the latter trademark has been the subject of a withdrawal or has lapsed;

(c) the trademark applications to which reference is made in (a) and (b), provided that they are finally registered;

(d) unregistered trademarks which, on the application or priority date of the trademark being examined, are "well known" in Spain within the meaning of Article 6bis of the Paris Convention.

Article 7. Prior Trade Names

(1) Signs may not be registered as trademarks if they are:

(a) identical to a previous trade name which designates activities identical to the goods or services for which the trademark is sought;

(b) identical or similar to a prior trade name and, since the activities which they designate are identical or similar to the goods or services for which the trademark is sought, there is a risk of confusion among the public; the risk of confusion includes the risk of association with the prior trade name.

(2) For the purposes of this Article, prior trade names means:

(a) trade names registered in Spain, the application for registration of which has a filing or priority date prior to that of the application under examination;

(b) applications for the trade names to which the previous subparagraph refers, provided that they are finally registered.

Article 8. Known and Famous Registered Trademarks and Trade Names

(1) A sign which is identical or similar to a prior trademark or trade name may not be registered as a trademark, even though its registration is requested for goods or services not similar to those protected by said prior signs, where, since the latter are known or famous in Spain, the use of such a trademark might indicate a connection between the goods or services covered by it and the owner of said prior signs or, in general, where that use, made without just cause, might constitute improper exploitation of, or detract from, the distinctive character, notoriety or fame of said prior signs.

(2) For the purposes of this Law, "known trademark or trade name" means

one which, owing to its sales volume, the duration, intensity or geographical scope of its use, its value or prestige achieved in the market or for any other reason, is generally known in the relevant public sector for which the goods, services or activities distinguishing said trademark or trade name are intended. Where all the requirements provided for in Article 1 are satisfied, the protection granted in paragraph (1) shall cover goods, services or activities as much more different in nature as the extent of knowledge of the known trademark or trade name is greater in the relevant sector of the public or in other related sectors.

(3) Where the trademark or trade name is known to the public in general, it shall be considered that they are famous and the scope of the protection shall extend to any type of goods, services or activities.

(4) For the purposes of paragraph (1), "prior trademark or trade name" means the signs envisaged in Article 6(2)(a), (b) and (c), and in Article 7(2) respectively.

Article 9. Other Prior Rights

(1) Without due authorization, the following may not be registered as trademarks:

(a) the proper name or image which identifies a person other than the trademark applicant;

(b) the first name, surname, pseudonym or any other sign which, in the eyes of the general public, identifies a person other than the applicant;

(c) signs which reproduce, imitate or transform creations protected by copyright or by another industrial property right, other than those envisaged in Articles 6 and 7;

(d) the trade name, name or business name of a legal person who, prior to the filing or priority date of the trademark applied for, identifies in economic transactions a person other than the applicant if, since it is identical or similar to such signs and its sphere of application is identical or similar, there is a risk of confusion among the public. For these purposes, the owner of those signs shall prove the use or knowledge of said signs throughout the national territory. Should they satisfy these requirements, the foreigners who, in accordance with Article 3 of this Law may invoke Article 8 of the Paris Convention or the principle of reciprocity, shall enjoy equal protection, provided that they supply proof of the use or knowledge in Spain of their unregistered trade name.

(2) The first names, surname, pseudonym or any other sign identifying

a registration applicant may not be registered as trademarks if they infringe any of the registration prohibitions contained in this Title.

Article 10. Trademarks of Agents or Representatives

(1) Unless he is able to justify his action, the agent or representative of a third party who is the owner of a trademark in another State party to the Paris Convention or Member of the World Trade Organization may not register that trademark in his name without the consent of said owner.

(2) The aggrieved owner shall have the right to oppose the registration of the trademark or to take the corresponding action for invalidation, or file claims or cessation requests against the trademark, in accordance with the provisions of this Law and Article 6 septies of the Paris Convention. In particular, the provisions contained in Article 2(2) and (3) shall apply to the claim filed.

TITLE III REGISTRATION APPLICATION AND PROCEDURE

Chapter I Registration Application

Article 11. Filing of an Application

(1) A trademark registration application shall be filed with the competent body of the Autonomous Community where the applicant is domiciled or has a real and effective industrial or commercial establishment.

(2) Applicants domiciled in the cities of Ceuta and Melilla shall file their applications with the Spanish Patent and Trademark Office.

(3) Applicants not domiciled in Spain shall file their applications with the Spanish Patent and Trademark Office.

(4) Applications may also be filed with the competent body of the Autonomous Community where the applicant's representative has his legal domicile or a real and effective subsidiary.

(5) Applications may also be filed with the Spanish Patent and Trademark Office if the applicant or his representative so requests through a real and effective commercial or industrial establishment which is non-territorial in nature.

(6) The body competent to receive an application shall, at the time the application is received, record the application number and the day, hour and minute of its filing, in the form prescribed by regulations.

(7) The competent body of the Autonomous Community which receives the application shall forward to the Spanish Patent and Trademark Office, within five days of receipt of the application, data on the application in the form and with the content prescribed by regulation.

(8) A trademark registration application may also be filed in the places provided for in Article 38(4) of Law 30/1992 of November 26, 1992, on Legal Rules for Public Administrations and Joint Administrative Procedure, with the body which, in accordance with the above paragraphs, is competent to receive the application.

(9) Both the application and the other documents to be filed with the Spanish Patent and Trademark Office shall be drafted in Spanish. In

Autonomous Communities where another official language exists, said documents may be drafted in that language and also in Spanish.

Article 12. Application Requirements

(1) A trademark registration application shall contain at least:

- (a) a request for registration of the trademark;
- (b) identification of the applicant;
- (c) a reproduction of the trademark;
- (d) a list of the goods or services for which registration is applied for.

(2) The application shall give rise to the payment of a fee, the amount of which shall be determined by the number of classes of goods or services of the International Classification established under the Nice Agreement of June 15, 1957, that have been requested.

(3) A trademark application shall satisfy the other requirements established by regulation.

Article 13. Application Filing Date

(1) The application filing date shall be that of the time when the competent body, in accordance with Article 11, receives the documents containing the items stated in Article 12(1).

(2) The filing date of applications deposited at a post office shall be that of the time when said office receives the documents containing the items provided for in Article 12(1), provided that they are filed in an open envelope, by registered mail with acknowledgement of receipt, sent to the body competent to receive the application. The post office shall record the day, time and minute of the filing.

(3) If any of the bodies or administrative units to which the previous paragraphs refer has not recorded, at the time the application is received, the hour of its filing, the last hour of the day shall be so designated. If the minute has not been recorded, the last minute of the hour shall be so designated. If neither the hour nor the minute has been recorded, the last hour and minute of the day shall be so designated.

Article 14. Union Priority

(1) Any persons who have filed a trademark registration application in accordance with regulations in any of the States party to the Paris

Convention or Members of the World Trade Organization, or their beneficiaries, shall be entitled, for the filing in Spain of an application to register the same trademark, to the right of priority established in Article 4 of the Paris Convention.

(2) The same right of priority shall be held by any persons who have filed a first application for protection of the same trademark in a State or international organization not mentioned in the previous paragraph which recognizes for trademark registration applications filed in Spain a right of priority, subject to the requirements of and with effects equivalent to those provided for in the Paris Convention.

(3) An applicant who wishes to claim the priority of a previous application shall submit, in the form and by the time limits established by regulation, a declaration of priority and a copy certified by the originating Office of the prior application, accompanied by a translation thereof in Spanish where that application is drafted in another language. The priority claim shall give rise to payment of the corresponding fee.

Article 15. Exhibition Priority

(1) A trademark applicant who has designated with the trademark goods or services at an official or officially recognized exhibition shall enjoy the right of priority of the date of the first showing at the exhibition of the goods or services bearing the trademark applied for, provided that the trademark registration application is filed within six months of that date.

(2) An applicant who wishes to claim the priority provided for in paragraph (1) shall provide evidence, in the terms prescribed by regulation, that the goods or services were displayed at the exhibition with the trademark applied for and on the date stated. The priority claim shall give rise to payment of the corresponding fee.

Chapter II Registration Procedure

Article 16. Examination of Admissibility and Form

(1) The body competent to receive an application shall, in accordance with Article 11, examine whether:

- (a) the trademark application meets the requirements for a filing date to be granted in accordance with Article 13;
- (b) the application fee has been paid;

(c) the trademark application meets the other requirements as to be established by regulation;

(d) the applicant is authorized to apply for a trademark in accordance with Article 3 of this Law.

(2) If it emerges from the examination that the application has some irregularity or defect, a decision shall be taken to suspend the proceedings and the applicant shall be granted the period prescribed by regulation for rectifying it or, where appropriate, for putting forward the relevant arguments.

(3) If the irregularity consists of a failure to satisfy the requirements necessary to obtain a filing date, that of the day on which the irregularity is corrected shall be granted.

(4) If the irregularity consists of a failure to pay the application fee and the period for correcting the irregularity has elapsed without said fee being paid in full, the procedure with regard to those classes for which full payment has been made shall continue, in the order indicated in the application.

(5) Once the period fixed in paragraph (2) has elapsed with no answer having been given by the interested party, the competent body shall settle the matter by considering the application withdrawn. It shall act in the same manner where, in the opinion of the competent body, the irregularities have not been duly corrected.

Article 17. Forwarding of an Application

(1) The competent body of the Autonomous Community shall forward to the Spanish Patent and Trademark Office, with all the relevant documents, the applications which have passed the examination as to form or in which the defects observed have been corrected with an indication, where appropriate, of the filing date granted where this has been rectified in accordance with Article 16(3).

(2) Applications which have been withdrawn shall be notified to the Spanish Patent and Trademark Office, once the decision is final, with an indication of its adoption date. If the decision has been challenged, this fact shall also be notified.

Article 18. Publication of an Application

(1) Once a trademark application has been received, the Spanish Patent and Trademark Office shall publish it in the Official Industrial Property Gazette, except where the trademark is contrary to public order or good customs in accordance with Article 5(1)(f). In this case, the objection raised shall be communicated to the interested party so that he may put forward suitable arguments within the period established by regulation. The Spanish Patent and Trademark Office shall settle the matter by deciding whether to continue the proceedings or to reject the application.

(2) If an application shows any defect not observed in previous proceedings which make its publication impossible, the Spanish Patent and Trademark Office shall communicate the defect to the interested party so that it may be corrected, in accordance with Article 16.

(3) The publication of a trademark application, to which paragraph (1) refers, shall include:

- (a) the name and address of the applicant;
- (b) the name and address of the representative, if any;
- (c) the number of the file, the filing date and, where appropriate, the priority claimed;
- (d) the reproduction of the sign for which a trademark is applied for and, where appropriate, a declaration according to the terms of Article 21(2);
- (e) the list of goods or services, with an indication of the class of the International Classification.

(4) Similarly, the Spanish Patent and Trademark Office shall, in the manner determined by regulation, communicate the publication of the application to which paragraph (1) refers, simply for information purposes, to the owners of the prior signs registered or applied for and which have been detected as a consequence of a computer search carried out by said Office in accordance with its technical and financial capabilities, and who under Articles 6 and 7 may oppose the registration of the new application.

Article 19. Opposition and Observations by Third Parties

(1) Once a trademark application has been published, any person who considers himself to be harmed may oppose the registration of the trademark by invoking the prohibitions provided for in Title II.

(2) An expression of opposition shall be made to the Spanish Patent and

Trademark Office in writing, in a reasoned and duly documented form, and within the period established by regulation, and shall be deemed to have been submitted only if within this period the corresponding fee is paid.

(3) The public authorities and national or independent associations and organizations whose purpose, according to their statutes, is to protect consumers may send to the Spanish Patent and Trademark Office, within the period provided for in the previous paragraph, written observations, indicating the prohibitions contained in Article 5 by virtue of which it would reject the registration of a trademark ex officio. Said authorities and associations shall not acquire the status of parties to the proceedings, but their observations shall be notified to the trademark applicant and shall be settled in accordance with Article 22.

Article 20. Substantive Examination

(1) Similarly, the Spanish Patent and Trademark Office shall examine ex officio whether a trademark application infringes any of the prohibitions envisaged in Articles 5 and 9(1)(b). If, in carrying out the examination, the Office observes any defect in the application, this shall be notified to the applicant in accordance with Article 21(1).

(2) If, within the established period, no opposition or observations have been formulated by third parties and, from the examination carried out by the Spanish Patent and Trademark Office, the trademark application does not infringe any of the prohibitions contained in Articles 5 and 9(1)(b), the trademark shall be registered. In this case, the Spanish Patent and Trademark Office shall, in the form established by regulation, publish an announcement of the registration of the trademark in the Official Industrial Property Gazette and shall grant the trademark registration title.

Article 21. Suspension of an Application

(1) Where opposition has been raised or observations have been submitted by a third party, or from the examination conducted by the Spanish Patent and Trademark Office an application infringes, for all or part of the goods or services applied for, any of the prohibitions or defects referred to in Article 20(1), the suspension of proceedings shall be ordered and the opposition and observations made shall be communicated to the applicant together with the objections raised ex officio so that, within the period defined by regulation, the applicant may put forward his arguments.

(2) In response to the suspension, the applicant may withdraw, limit, amend or divide the application in accordance with Articles 23 and 24. If the reason for the suspension is based on the fact that the trademark applied for contains elements infringing the prohibitions contained in Article 5(1)(b), (c) or (d), the applicant may submit a declaration excluding those items from the protection applied for.

Article 22. Settlement of an Application

(1) Once the period fixed for responding to the suspension has elapsed, irrespective of whether or not the applicant has responded, the Spanish Patent and Trademark Office shall agree to the grant or refuse registration of the trademark and, in the latter case, shall state briefly the reasons and prior rights underlying the refusal.

(2) If the cause of the refusal to register a trademark exists only in relation to certain goods or services, the refusal to register shall be limited to the goods or services in question.

(3) The settlement resulting in a refusal to register a trademark shall be published in the Official Industrial Property Gazette in the form determined by regulation.

(4) Once registration of a trademark has been granted, the Spanish Patent and Trademark Office shall, in the manner established by regulation, publish details of the registration in the Official Industrial Property Gazette and shall grant the trademark registration title.

Chapter III General Procedural Provisions

Article 23. Withdrawal, Limitation and Amendment of the Application

(1) An applicant may at any time withdraw his trademark application or limit the list of goods or services contained in the application.

(2) A trademark application may, at the request of the applicant, be amended only in order to correct his name and address, errors of expression or transcription or manifest errors, provided that such a correction does not substantially affect the trademark nor extend or change the list of goods or services. Those items which do not significantly alter the distinctive character of the trademark in the form in which it was applied for may also be removed from the specifications.

(3) The limitation and amendment of an application shall give rise to payment of the corresponding fee.

Article 24. Division of an Application or Registration of the Trademark

(1) An applicant or owner of a trademark comprising various goods or services may divide the application or registration thereof into two or more divisional applications or registrations, distributing between them the goods or services listed in the original application or registration.

(2) The trademark application or registration may be divided only during the registration or appeal proceedings and shall be accepted only if, with said division, the suspension, opposition or appeal remains limited to one of the divisional applications or registrations. The application or registration may be divided also where a partial transfer thereof is requested.

(3) Divisional applications or registrations shall retain the original application filing or registration date and continue to benefit from the right of priority, if any.

(4) The division shall be subject to whatever is established by regulation and shall give rise to payment of the corresponding fee.

Article 25. Restoration of Rights

(1) A trademark applicant or owner, or any other party to proceedings with the Spanish Patent and Trademark Office, who, even though he has observed all the formalities required by circumstances, has not been able to respect a time limit in relation to said Office, shall, subject to a request, have his rights restored if, as a direct consequence of his inability to act, under the provisions of this Law or its Regulations, he has lost a right. Should the time limit correspond to the lodging of an appeal, it shall result in admission to proceedings, except as provided in paragraph (5).

(2) The application shall be filed in writing from the time when the obstacle ceases to exist, in the form and by the time limit established by regulation. Incomplete proceedings shall be completed by that time limit. The application shall be admissible only within one year of the expiry of the time limit not observed. If the application for renewal has not been filed, the one-year period shall be reduced by the additional period of six months referred to in the second subparagraph of Article 32(3).

(3) Reasons for the application shall be stated, with an indication of the facts and justifications put forward in support thereof. It shall only be considered to have been filed when the fee for restoration of rights has been paid.

(4) The body competent to take a decision on any act which has not been completed shall also be competent to settle an application.

(5) The provisions of this Article shall not apply to the time limits envisaged in paragraph (2) of this Article, Article 14(1) and (2), Article 15(1) and Article 19(2). These provisions shall likewise not apply to the time limit for lodging an appeal against an act declaring rights.

(6) Where a trademark applicant or owner has his rights restored, he may not assert his rights against a third party who, in good faith, has marketed goods or provided services bearing a sign identical or similar to the trademark during the period included between the loss of the right to the application or to the trademark and the publication of details of the re-establishment of those rights.

(7) The right to an application or to a trademark shall not be restored where, in the period included between the loss thereof and the filing of an application for restoration, a third party has in good faith applied for or registered an identical or similar sign.

(8) An appeal against a decision restoring the rights of an applicant may be lodged by a third party able to avail himself of the provisions of paragraphs (6) and (7).

Article 26. Suspension of Proceedings

The Spanish Patent and Trademark Office may suspend proceedings:

(a) where opposition is based on a prior registration application, until such time as a decision is taken on that application which brings to an end administrative proceedings;

(b) at the request of an applicant who has taken an action for invalidation or lapse, or filed a claim against a prior opposing sign, until such time as a firm decision is taken, and without prejudice to any decision taken by the courts;

(c) where a divisional application is filed, for the time required for the settlement of the application;

(d) at the joint request of all interested parties, without the suspension

exceeding six months in such a case.

Article 27. Review of Administrative Acts

(1) The acts of and decisions taken by the authorities of the Spanish Patent and Trademark Office shall be subject to appeal, in accordance with Law 30/1992, of November 26, 1992, on Legal Rules for Public Administrations and Joint Administrative Procedure.

(2) The lodging of an appeal shall give rise to payment of the appeal fee. The fee shall not be reimbursed other than where the appeal is based completely on legal reasons resorted to and the improper appreciation of which in the decision is attributable to the Spanish Patent and Trademark Office. Reimbursement of the fee shall be requested by lodging the appeal and shall be granted at the time of settlement.

(3) When granting a trademark, the Spanish Patent and Trademark Office may not exercise, ex officio or at the request of a party, the powers of inspection provided for in Article 102 of Law 30/1992 referred to above if the invalidity of the trademark is based on any of the causes provided for in Articles 51 and 52 of this Law. Said causes of invalidity may only be used in the courts.

(4) The acts and decisions taken, by virtue of their powers, by the competent authorities of the Autonomous Communities, shall be subject to appeal in accordance with the provisions of Law 30/1992, of November 26, 1992, on Legal Rules for Public Administrations and Joint Administrative Procedure, as well as the basic provisions governing the work of the relevant authorities.

Article 28. Arbitration

(1) Interested parties may submit to arbitration the matters of dispute arising during the proceedings for the registration of a trademark, in accordance with the provisions of this Article.

(2) Arbitration may deal only with the relative prohibitions provided for in Articles 6(1)(b), 7(1)(b), 8 and 9 of this Law. In no case may matters referring to the existence or otherwise of formal defects or absolute registration prohibitions be subject to arbitration.

(3) An arbitration agreement shall be valid only if it is signed, in addition to the trademark applicant, by:

(a) the owners of the prior rights who have caused the trademark to be rejected and, where appropriate, by its exclusive registered licensees;
(b) the owners of the prior rights who have opposed the registration of a trademark and, where appropriate, its exclusive registered licensees;
(c) any persons who have lodged an appeal or have appeared in court during the appeal.

(4) The arbitration agreement shall be notified to the Spanish Patent and Trademark Office by the interested parties once the administrative proceedings for trademark registration have been completed and before the administrative act which has put an end thereto has been firmly adopted. Once the special appeal against the act granting or refusing registration has been settled, the administrative challenge procedure shall be prompt, except where the signature of an arbitration agreement is used before the Office.

(5) Once the arbitration agreement has been endorsed and as long as it is valid, no ordinary administrative appeal claiming the inadmissibility of the agreement may be lodged. Similarly, where the agreement has previously been endorsed, it shall be withdrawn.

(6) A firm arbitration decision shall have the effect of *res judicata*, in accordance with Article 37 of Law 36/1988, of December 5, 1988, on Arbitration, which is enforced in relation to all matters for which no provision is made by this Article, and the Spanish Patent and Trademark Office shall act as necessary to enforce the decision.

(7) The submission of the remedies used in relation to an arbitration decision shall be communicated to the Spanish Patent and Trademark Office. Once a firm decision has been taken, it shall be formally communicated to the Spanish Patent and Trademark Office for enforcement.

Article 29. Notifications

(1) The notifications to be made by the Spanish Patent and Trademark Office shall comply with the provisions of Law 30/1992, of November 26, 1992, on Legal Rules for Public Administrations and Joint Administrative Procedure, without prejudice to the provisions of the following paragraphs.

(2) Where a recipient so requests and has a post box at the Spanish Patent and Trademark Office, notifications shall be made by deposit in said box of the act or decision to be notified. The notification shall specify

the date of deposit, and shall have effect as from the fifth day thereafter.

(3) Where the interested party so requests, notifications shall be made by publication in the Official Industrial Property Gazette, via facsimile, electronic mail or any other technical means available to the Spanish Patent and Trademark Office. Notifications made to an interested party through a professional representative shall, in all cases, be through the publication in the Official Industrial Property Gazette of the decision taken, with an indication of whether it is final in administrative terms, the appropriate remedies, the body to which they must be submitted and the time limit within which they must be made, without prejudice, also previously, to the fact that, for simple information purposes, the full text of the act is communicated to said representative by depositing it in the post box available at the Spanish Patent and Trademark Office, electronic mail or other suitable means available at the Office, in the form determined by regulation.

(4) Those persons who are party to proceedings with the Spanish Patent and Trademark Office in which they are acting on their own behalf and who are not domiciled or do not have a head office in Spain shall, for the purpose of notifications, designate a domicile in Spain.

(5) Where the parties involved in proceedings are unknown, the place of notification in Spain is unknown or it has not been possible to make a notification after two attempts, the notification shall be made through publication in the Official Industrial Property Gazette.

(6) The notifications to be made by the competent authorities of the Autonomous Communities shall be in accordance with the provisions of Law 30/1992, of November 26, 1992, on Legal Rules for Public Administrations and Joint Administrative Procedure, and the specific provisions applicable thereto.

Article 30. Public Consultation of Records

(1) The records relating to registration applications not yet published may be consulted only with the applicant's consent. Notwithstanding, any person who proves that the registration applicant has claimed to use in relation thereto the rights derived from his application may consult the record prior to publication thereof and without the applicant's consent.

(2) Once an application has been published, the records may be consulted,

subject to a request being made and to the limitations established by regulation.

(3) The legal status of the records shall be made public by telematic means in the form and with such technical limitations as may exist together with those established by regulation.

TITLE IV DURATION, RENEWAL AND AMENDMENT OF THE REGISTERED TRADEMARK

Article 31. Duration

Registration of a trademark shall be granted for ten years beginning on the date of filing of an application and may be renewed for successive ten-year periods.

Article 32. Renewal

(1) The registration of a trademark shall be renewed subject to an application filed with the Spanish Patent and Trademark Office or the bodies referred to in Article 11 by the owner of the trademark or his beneficiaries, who shall provide proof of their status in the manner provided for by regulation. If an application is not filed with the Spanish Patent and Trademark Office, the body which receives it shall forward it, together with the accompanying documentation, within five days to the Office, including the period for settlement of the application beginning from the time when the file is received.

(2) The application shall be filed together with proof of payment of the renewal fee, the amount of which shall be determined by the number of classes included in the renewal application.

(3) The application shall be filed and the fee paid in the six months prior to expiry of the registration. Failing that it may still be done validly within a period of six months from the date of expiry of the registration, with the obligation to pay simultaneously an extra charge of 25 per cent of the amount where entry takes place during the first three months, and 50 per cent if it takes place within the following three months.

(4) If the renewal fee or, where applicable, the extra charges are not paid in full, renewal with regard to those classes paid in full shall be granted, according to the order of the application.

(5) If the renewal application includes only part of the goods or services for which the trademark has been registered, the registration of the trademark shall be renewed only in relation to the goods or services in question.

(6) The renewal, which shall be entered in the Register of Trademarks and published in the Official Industrial Property Gazette, shall take

effect from the day following that of the date of expiry of the corresponding ten-year period.

(7) Where a renewal is not granted, 75 per cent of the renewal fee paid shall be reimbursed at the request of the interested party.

Article 33. Amendment

(1) A trademark shall not be amended in the Register either during the period of validity or when it is renewed. Nevertheless, if the trademark includes the name and address of the owner, any amendment or deletion thereof which does not substantially affect the identity of the trademark as originally registered may be registered at the owner's request.

(2) An application for amendment, filed with the Spanish Patent and Trademark Office or the competent body in accordance with Article 11, shall give rise to payment of the corresponding fee and, if registered, a reproduction of the trademark as amended shall be published in the Official Industrial Property Gazette. Any third party who deems himself to have been injured may appeal against such an amendment. If the application is not filed with the Spanish Patent and Trademark Office, action shall be taken in accordance with and for the purposes expressed in paragraph (1) of the previous Article.

TITLE V CONTENT OF THE RIGHT TO A TRADEMARK

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

Article 34. Rights Conferred by the Trademark

(1) The registration of a trademark shall confer on its owner the exclusive right to use it in economic transactions.

(2) The owner of a registered trademark may prohibit third parties, without his consent, from using in economic transactions:

(a) any sign identical to the trademark for goods or services identical to those for which the trademark is registered;

(b) any sign which, since it is identical or similar to the trademark and since the goods or services are identical or similar, creates a risk of confusion among the public; the risk of confusion shall include the risk of association between the sign and the trademark;

(c) any identical or similar sign for goods or services which are not similar to those for which the trademark is registered, where the trademark is known or famous in Spain and where use of the sign made without just cause might suggest a connection between said goods or services and the trademark owner, or in general where that use might imply improper exploitation of or harm to the distinctiveness or notoriety or fame of said registered trademark.

(3) Where the requirements listed in the previous paragraph are satisfied, the following may, in particular, be prohibited:

(a) placing the sign on goods or on their form of presentation;

(b) offering, marketing or storing the goods for those purposes, or offering or providing services with the sign;

(c) importing or exporting the goods with the sign;

(d) using the sign on marketing documents and advertising;

(e) using the sign on telematic communication networks and as a domain name;

(f) placing the sign on wrappers, packaging, labels or other means of identifying or ornamenting a good or service, preparing or supplying them, or making, manufacturing, offering, marketing, importing, exporting or storing any of those means incorporating the sign, if the possibility exists that said means may be used to carry out any act which, in accordance with the above subparagraphs would be prohibited.

(4) The owner of a registered trademark may prevent traders or distributors from removing said trademark without his express consent, although he may not prevent the separate addition by such persons of their own trademarks or distinctive signs, provided that this does not harm the distinctive nature of the main trademark.

(5) The provisions of this Article shall apply to an unregistered trademark "well known" in Spain within the meaning of Article 6bis of the Paris Convention, except as provided in paragraph 2(c).

Article 35. Reproduction of the Trademark in Dictionaries

If the reproduction of a trademark in a dictionary, encyclopedia or other reference work of that kind gives the impression that it constitutes the generic term for the goods or services for which the trademark is registered, at the request of the trademark owner the publisher shall ensure that the reproduction of the trademark is accompanied, at the latest in the following edition of the work, by an indication that the trademark in question is registered.

Article 36. Exhaustion of Trademark Rights

(1) The right conferred by trademark registration shall not enable the trademark owner to prohibit its use by third parties for goods marketed in the European Economic Area with said trademark by the owner or with his consent.

(2) Paragraph (1) shall not apply where legitimate reasons exist for the owner to oppose the subsequent marketing of the goods, in particular where the condition of the goods has been modified or changed following their marketing.

Article 37. Limitations of Trademark Rights

The right granted by a trademark shall not allow its owner to prohibit use in economic transactions by third parties, provided that such use complies with fair industrial or commercial practices:

(a) of his name and address;

(b) of information relating to the species, quality, quantity, purpose, value, geographical origin, time of production of the good or provision of the service, or other features thereof;

(c) of the trademark, where this is necessary for indicating the purpose of a good or a service, in particular as accessories or spare parts.

Article 38. Temporary Protection

(1) The right granted by the registration of a trademark may only be exercised in relation to third parties from the time of publication of the grant of the trademark. Nevertheless, a trademark registration application shall provide its owner, from the date of its publication, with temporary protection consisting of the right to request compensation that is reasonable and suited to the circumstances where a third party has, between that date and the date of publication of the grant, undertaken use of the trademark which, following that period, would be prohibited.

(2) The same temporary protection shall be applicable even before the publication of the application in relation to any person to whom the filing and content thereof have been notified.

(3) It shall be understood that a trademark registration application has never had the effects provided for in paragraph (1) where it has been withdrawn or has been due for withdrawal, or where it has been rejected as the result of a final decision.

(4) The temporary protection provided for in this Article may only be claimed following publication of the grant of trademark registration.

Chapter II Obligation to Use the Trademark

Article 39. Use of the Trademark

(1) If, within five years of the date of publication of its grant, a trademark has not been the subject of real and effective use in Spain for the goods or services for which it is registered, or if such use has been suspended for an uninterrupted period of five years, the trademark shall be subject to the sanctions provided for in this Law, unless causes exist justifying the lack of use.

(2) For the purposes of paragraph (1) the following shall also be regarded as use:

(a) use of a trademark in a form which differs in terms of elements that do not significantly change the distinctive character of the trademark in the form in which it is registered;

(b) the use of a trademark in Spain, as it is applied to goods or services or its form of presentation, exclusively for export purposes.

(3) A trademark shall be considered to have been used by its owner where

it is used by a third party with the owner's consent.

(4) Impediments beyond the owner's control, such as import restrictions or other official requirements imposed on the goods or services for which the trademark is registered, shall be recognized as causes justifying lack of use of a trademark.

Chapter III Acts Infringing Trademark Rights

Article 40. Possibility of Taking Civil and Criminal Action

The owner of a registered trademark may, before the jurisdictional authorities, take appropriate civil or criminal action against those infringing his right and request the measures necessary for protection of the trademark, without any prejudice to submission of the case to arbitration, where possible.

Article 41. Civil Action Which May be Taken by the Trademark Owner

(1) In particular, an owner whose right to a trademark is infringed may in a civil action claim:

(a) the cessation of the acts infringing his right;

(b) compensation for the damage suffered;

(c) the adoption of the measures necessary to avoid the continuation of an infringement and, in particular, the withdrawal from economic circulation of the goods, packaging, wrappers, advertising material, labels or other documents in which the infringement of a trademark has been manifested;

(d) the destruction or transfer for humanitarian purposes, where possible, as chosen by the party concerned and always at the expense of the guilty party, of the goods unlawfully identified with the trademark which are in the possession of the infringing party, except where the nature of the good allows the distinctive sign to be removed without affecting the good itself, or where destruction of the good would do disproportionate harm to the infringing party or owner, according to the specific circumstances of each case as determined by the court;

(e) the publication of a decision at the expense of the guilty party by means of announcements and notifications to the parties concerned.

(2) Where the owner of a trademark which has been registered for at least five years at the time the claim is filed exercises in relation to a third party, by means of any of the actions provided for in paragraph (1), the rights conferred by Article 34, he shall prove, if so requested by the

defendant as an exceptional measure, that in the five years preceding the filing date of the claim the trademark has been the subject of real and effective use for the goods or services for which it is registered and on which the claim is based, or that causes justifying the lack of use exist. For these purposes, the trademark shall be considered registered only for the goods or services for which it has actually been used. Similarly, the defendant may, by way of a counter-claim, take action to have the trademark declared lapsed owing to lack of use by the plaintiff.

Article 42. Grounds for Compensation for Damage

(1) Any persons who, without the consent of a trademark owner, carry out any of the acts provided for in Article 34(3)(a) and (f), as well as those responsible for the original marketing of the goods or services bearing the trademark unlawfully, shall be obliged in any case to answer for the damage caused.

(2) All those who carry out any other act infringing the registered trademark shall be obliged to compensate for the damage caused only if they have received sufficient warning from the trademark owner or, where appropriate, the person authorized to take the action regarding the existence of the trademark, suitably identified, and infringement thereof, with the requirement that they cease such violation, or where in their actions guilt or negligence has played a role or the trademark in question was well-known or famous.

Article 43. Calculation of Compensation for Damages

(1) Compensation for damage shall cover not only the losses suffered but also the gains which the trademark registration holder has failed to obtain as a result of the infringement of his right. The trademark registration holder may also request compensation for the harm caused to the prestige of the trademark by the infringing party, especially through defective production of the goods bearing the trademark unlawfully or inappropriate presentation of the trademark on the market.

(2) The gains which have not been obtained shall be fixed, at the injured party's discretion, according to one of the following criteria:

- (a) the profits which the owner would have obtained through the use of the trademark if the infringement had not taken place;
- (b) the profits which the infringing party has obtained as a result of the infringement;
- (c) the price which the infringing party would have had to pay to the

owner for the grant of a license which would have allowed him to undertake such use rightfully.

(3) When fixing the level of compensation, inter alia, the notoriety, fame and prestige of the trademark, and number and class of licenses granted at the time the infringement began shall be taken into account. In the case of damage to the prestige of the trademark, attention shall also be paid to the circumstances of the infringement, seriousness of the injury and degree of dissemination on the market.

(4) In order to fix the amount of the damage suffered, a trademark owner may request that the documents of the person responsible, which may be used for that purpose, be shown.

(5) The owner of a trademark declared infringed by a court shall, in any case and without need for any proof, have the right to receive, as compensation for damage, one per cent of the turnover of the infringing party resulting from the goods or services bearing the trademark unlawfully. The trademark owner may, in addition, request higher compensation if he proves that the infringement of his trademark caused him greater damage, in accordance with the previous paragraphs.

Article 44. Coercive Compensation

Where a person is ordered to cease acts infringing a trademark, the courts shall fix compensation, the amount of which is not less than 600 euros per day until such time as the infringement actually ceases. The amount of this compensation and the day on which the obligation to compensate begins shall be set when the decision is enforced.

Article 45. Statute-Barring of Actions

(1) Civil actions resulting from the infringement of trademark rights shall be barred after five years, beginning on the day as from which the action may be taken.

(2) Compensation for damage may be requested only in relation to acts of infringement carried out during the five years prior to the date on which the corresponding action is taken.

Chapter IV The Trademark as the Subject Matter of Property Rights

Article 46. General Principles

(1) A trademark or application therefor may belong pro indiviso to two or more persons. The resulting common property shall be governed by the terms of agreement between the parties, failing that by the provisions of this section and, in the final instance, by the provisions of common law on common ownership of property. The granting of licenses and the independent use of the trademark by each participant shall be agreed in accordance with Article 398 of the Civil Code. Each participant may by his own means take civil and criminal action to protect a trademark but shall make appropriate notification to the other joint owners so that they may be party to such action and contribute to the payment of the expenses incurred. In the case of transfer of a trademark or a share, a participant may exercise his right of prior purchase within a period of one month from the time when he was notified of the purpose and conditions for the implementation of the transfer. Where prior notification is not given or if a transfer is made in a manner different from that provided for in such notification, a participant may exercise his right to withhold his share, within the same period, from the time of publication of the recording of the transfer in the Register of Trademarks. Such absolute and unjustified opposition of a participant to the use of a trademark as might cause the trademark to be declared lapsed shall be deemed, for all purposes, to constitute renunciation of his right.

(2) Independently of the transfer of all or part of an enterprise, a trademark and an application therefor may be transferred, used as a guarantee or be the subject of other real rights, licenses, purchase options, seizures or other measures resulting from the enforcement procedure, for all or part of the goods or services for which they are registered or applied for, and entered in the Register of Trademarks, without prejudice to the other legal business by which the right to a trademark is likely to be affected. In cases where a movable property mortgage is set up, the mortgage shall be governed by its specific provisions and shall be entered in Section Four of the Register of Movable Property, and said entry shall be notified to the Spanish Patent and Trademark Office for the purposes of inclusion in the Register of Trademarks. For these purposes, both Registers shall be coordinated so that charges on trademarks entered or mentioned in the Registers shall be communicated between them by telematic means.

(3) The legal acts envisaged in the previous paragraph shall be binding

on third parties acting in good faith only after entry in the Register of Trademarks.

(4) Once one of the rights or charges envisaged in paragraph (2) has been entered in the Register of Trademarks, no other right or charge bearing the same or an earlier date and which opposes or is incompatible with the right or obligation in question may be registered. If only an application for registration has been recorded, another right or charge of the class referred to above may likewise not be entered until the application has been settled.

(5) A registration application, to which the competent body shall be given preferential access, shall state which parties shall be given priority thereafter, and the corresponding registration operations shall be carried out according to the order of filing.

(6) The Register of Trademarks shall be public. Access shall be had to it on payment of the corresponding fees or public charges by means of individualized access to databases, the provision of computer listings, authorized consultation of records, obtaining copies of such records and certification, and free of charge in the manner specified in the eleventh additional provision of this Law.

Article 47. Transfer of the Trademark

(1) The transfer of an enterprise as a whole shall entail the transfer of the enterprise's trademarks, unless agreed otherwise or where this is clear from the circumstances of the case.

(2) If it is clearly deduced from the documents establishing a transfer that as a result of the transfer a trademark could mislead the public, in particular regarding the nature, quality or geographical origin of the goods or services for which the trademark is applied for or registered, registration of the transfer shall be refused unless the acquirer agrees to limit the application or registration of the trademark to goods or services for which the trademark is not misleading.

Article 48. Licensing

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

(2) The rights conferred by the registration of a trademark or by an application therefor may be exercised against any licensee who infringes any of the provisions of the licensing contract regarding its duration, the form protected by the registration, the nature of the goods or services, the territory in which the trademark may be placed or the quality of the goods manufactured or services provided by the licensee.

(3) The holder of a license may neither transfer it to third parties, nor grant sub-licenses, unless otherwise agreed.

(4) Unless otherwise agreed, the holder of a license shall be entitled to use a trademark for the entire duration of the registration, including renewals, throughout national territory and in relation to all the goods or services for which the trademark is registered.

(5) Unless otherwise agreed, it shall be understood that a license is not exclusive and that the licensor may grant other licenses and use a trademark for his own purposes.

(6) Where a license is exclusive, the licensor may use a trademark only if such a right has been expressly reserved in the contract.

Article 49. Request for Recording of Amendments to Rights

(1) The recording of a change of ownership of a trademark registration shall be applied for by means of a request as laid down by regulation. The request shall be accompanied by proof of payment of the corresponding fee, which shall be paid according to the registrations affected.

(2) If a transfer of ownership is the result of a contract, the request shall so state. An applicant may choose to attach to the request any of the following documents:

(a) an authentic copy of the contract or an ordinary copy thereof, with the signatures authenticated by a notary or other competent public authority;

(b) an extract from the contract which the testimony of a notary or other competent public authority certifies as being true to the original;

(c) a transfer certificate or document signed both by the holder and by the new owner which conforms to the model established by regulation.

(3) If a change in ownership is the result of a merger or is imposed by the law or by an administrative ruling or court decision, the request

shall be accompanied by testimony from the public authority issuing the document, or a copy of the document proving the change, authenticated or legalized by a notary or other competent public authority. The recording of seizures and other judicial measures shall be requested in the same way.

(4) The preceding paragraphs shall apply, in all respects not incompatible with their specific nature, to the recording of the other legal acts or business envisaged in Article 46(2), apart from the movable property mortgage, which shall be governed by its specific provisions, and the constitution of other real rights or of a purchase option, for the recording of which one of the public documents provided for in paragraph (2)(a) or (b) shall be attached.

Article 50. Procedure for Recording of Amendments to Rights

(1) The recording of the legal acts and business envisaged in Article 46(2) may be requested by either the transferor or the transferee, and the application for recording shall be filed, by whichever person is the requester, with the body which is competent pursuant to Article 11.

(2) Once a request for recording is received, the competent body shall number and date it at the time it is received and, within the following five days, shall if necessary forward the data contained therein to the Spanish Patent and Trademark Office in the form determined by regulation.

(3) The body competent to receive the request shall examine whether the documentation submitted consists of:

(a) a request document conforming to the official model, containing the trademark registration number affected, the identification data for the new holder and an indication of the goods or services affected where the transfer or license is not total;

(b) the document providing proof of the transfer or license, in accordance with Article 49(2), (3) and (4);

(c) proof of payment of the corresponding fee.

(4) If a request for recording does not satisfy the requirements provided for in the preceding paragraph, the competent body shall communicate the irregularities noted to the applicant so that, within the period established by regulation, he may correct them. If such irregularities are not corrected, the request shall be withdrawn, in which case the procedure provided for in Article 17(2) shall be observed. If the request does not have any such

irregularities or the irregularities have been corrected, the competent body of the Autonomous Community shall, if it is involved, operate in accordance with Article 17(1).

(5) Once a request for recording has been received, the Spanish Patent and Trademark Office shall examine the documentation submitted and shall judge the legality, validity and effectiveness of the acts to be recorded. If any defect is observed, the proceedings shall be declared suspended and the interested party shall be notified so that, within the period established by regulation, he may correct the defects indicated. Once that period has elapsed, the request for recording shall be settled.

(6) Where the Spanish Patent and Trademark Office has reason to doubt the truth of any information contained in the request for recording or in the accompanying documents, it may request the applicant to provide proof establishing the truth of the information in question.

(7) The Spanish Patent and Trademark Office shall settle the request for recording by granting or rejecting it, either in full or in part. In the case of a rejection the reasons therefor shall be given in brief. The decision taken shall be published in the Official Industrial Property Gazette, with express reference being made to the following information:

- (a) new owner of the rights;
- (b) record number;
- (c) identification of the registrations affected;
- (d) date of decision;
- (e) representative, where appointed;
- (f) the act which gave rise to the recording.

TITLE VI INVALIDATION AND LAPSE OF THE TRADEMARK

Chapter I Invalidation

Article 51. Causes of Absolute Invalidity

(1) The registration of a trademark may be declared null and void by means of a firm decision and be subject to invalidation, where:

(a) it contravenes the provisions of Article 3(1) and (2) and Article 5 of this Law;

(b) the applicant has acted in bad faith when filing the trademark application.

(2) An action requesting the absolute invalidation of a registered trademark shall not be subject to statute-barring.

(3) Invalidity may not be declared where its cause has disappeared at the time the request therefor is made. In particular, a trademark may not be declared invalid where a registration has been made in contravention of Article 5(1)(b), (c) or (d) and said trademark has, after registration, acquired a distinctive character for the goods or services for which it is registered through any use which has been made of it by its owner or with his consent.

Article 52. Causes of Relative Invalidity

(1) The registration of a trademark may be declared null and void by means of a firm decision and be subject to invalidation where it contravenes the provisions of Articles 6, 7, 8, 9 and 10.

(2) The owner of a prior right who has tolerated the use of a subsequently registered trademark for a period of five consecutive years with knowledge of said use may not later seek to have the subsequent trademark declared null and void or oppose the use thereof, on the basis of said prior right for the goods or services for which the subsequent trademark has been used, except where the application for the trademark has been made in bad faith, in which case action shall not be subject to prescription. In the case envisaged in this paragraph, the owner of the subsequent trademark may not oppose the use of the prior right, despite the fact that such a right may no longer be invoked against the subsequent trademark.

(3) Where the owner of a prior trademark which has been registered for at least five years at the time the request is submitted requests that

another subsequent trademark be declared null and void, he shall prove, if the defendant so requests by way of exception, that in the course of the five years prior to the date of submission of the request the trademark has been the subject of real and effective use for the goods or services for which it is registered and on which the request is based, or that causes exist justifying the lack of use. For these purposes, the trademark shall be considered registered only for the goods or services for which it has actually been used.

Article 53. Extension of the Exception of res judicata

An application may not be made to a civil court for the declaration of invalidity of a trademark, invoking the same cause of invalidity as has already been the subject of a pronouncement, regarding the substance of the matter, in a decision handed down in an administrative challenge procedure, by a person who has been party to that procedure.

Article 54. Effects of the Declaration of Invalidity

(1) A declaration of invalidity shall imply that the registration of a trademark was never valid, taking into account that neither the registration nor the application giving rise to it has ever had the effects provided for in Chapter I of Title V of this Law, in so far as invalidity has been declared.

(2) Without prejudice to compensation for damages to which the owner of a trademark acting in bad faith has given rise, the retroactive effect of invalidation shall not affect:

(a) decisions on infringement of the trademark which have acquired the force of res judicata and have been enforced prior to the declaration of invalidity;

(b) contracts concluded prior to the declaration of invalidity in so far as they have been enforced prior thereto. Notwithstanding, for reasons of fairness and in so far as the circumstances justify such a step, it shall be possible to demand the return of sums paid under the contract.

Chapter II Lapse

Article 55. Lapse

(1) A trademark shall be declared lapsed and the registration thereof cancelled where:

(a) it has not been renewed in accordance with Article 32 of this Law;

(b) it has been withdrawn by its owner;

(c) it has not been used in accordance with Article 39 of this Law;
(d) it has become in commercial terms, through the action or inaction of its owner, into the usual designation of a good or a service for which it is registered;

(e) as a result of the use that has been made of it by the owner of the trademark, or that has been made of it with his consent, for the goods or services for which it is registered, the trademark may mislead the public, especially regarding the nature, quality or geographical origin of these goods or services;

(f) as a result of a transfer of rights or for other reasons, the owner of the trademark no longer satisfies the requirements of Article 3 of the Law. Lapse shall be declared and the registration cancelled only as long as this failure to satisfy requirements lasts.

In the first two cases the lapse shall be declared by the Spanish Patent and Trademark Office and in the remaining four cases by the courts.

(2) Trademarks which have lapsed shall cease to have legal effect from the time when the events or omissions that gave rise to the lapse occurred, irrespective of the date on which they were published in the Official Industrial Property Gazette. The provisions of Article 54(2) of this Law shall apply to the retroactive effect of lapse.

Article 56. Lapse for Failure to Renew

(1) Where registered encumbrances exist in relation to a trademark or a claim of ownership is pending and the owner has not renewed the trademark, said trademark shall not lapse prior to the encumbrance being lifted or the claim being finally rejected. If, as a result of these procedures, a change in the ownership of the trademark occurs, the new owner may renew it within a period of two months from the date on which the decision regarding the claim has become final or from the time when the competent authority or court has notified the Spanish Patent and Trademark Office of the final adjudication concerning the seized trademark. Once this period has expired, the trademark shall lapse unless it has been renewed.

(2) A trademark shall likewise not lapse for failure to renew where a movable property mortgage in relation to it has been entered in the Register of Trademarks. The mortgage holder may request renewal on behalf of its owner within one month of the end of the grace period provided for in Article 32(3) of this Law. The mortgage holder may also pay the renewal fees within one month of the end of the period in which they must be paid by the owner. Failure by the mortgage holder to act within the periods

provided for shall result in the lapse of the trademark.

Article 57. Renunciation of the Trademark

(1) The owner may renounce the whole trademark or part of the goods or services for which it is registered.

(2) Renunciation shall be submitted to the Spanish Patent and Trademark Office or the bodies to which Article 11 refers, in writing, and shall have effect only once it has been entered in the Register of Trademarks. If the request is submitted to a body other than the Spanish Patent and Trademark Office, the body receiving it shall forward it to that Office, together with the accompanying documentation, within five days of receiving it.

(3) Renunciation by its owner of a trademark in relation to which there exist real rights, purchase options, encumbrances or licenses entered in the Register of Trademarks may not be accepted unless the consent of the owners of those rights has been recorded. Renunciation shall likewise not be accepted if a claim of ownership of the trademark is pending and the consent of the claimant has not been recorded.

Article 58. Lapse for Non-Use of the Trademark

In an action for lapse for failure to use a trademark, the owner of the trademark shall demonstrate that the trademark has been used in accordance with Article 39 or that causes exist justifying the lack of use. The trademark may not be declared lapsed if, in the interval between the expiry of the five-year period to which Article 39 refers and the filing of the application for lapse, effective use of the trademark has begun or has resumed; nevertheless, the start or resumption of use within a period of three months prior to the application for lapse being filed shall not, where that period begins on a date not prior to the expiry of the uninterrupted five-year period of non-use, be taken into account if the preparations for the said start or resumption are made after the owner becomes aware that the application for lapse might be filed.

Chapter III Common Provisions

Article 59. Legitimation

Action to declare the registration of a trademark null and void or lapsed may be taken:

(a) in the cases provided for in Article 51 and 55(c), (d), (e) and (f),

by the Spanish Patent and Trademark Office, as well as by any natural or legal person or any group set up lawfully to represent the interests of manufacturers, producers, service providers, traders or consumers who are affected and who hold a subjective right or legitimate interest;

(b) in the cases provided for in Article 52, by the owners of the prior rights affected by the registration of a trademark, or by his beneficiaries in the case of the prior rights provided for in Article 9(a) and (b) of this Law.

Article 60. Partial Invalidity and Lapse

If the cause of invalidity or lapse existed only for part of the goods or services for which the trademark is registered, the declaration thereof shall extend only to the goods or services affected.

Article 61. Register Entries and Enforcement and Communication of Decisions

(1) Once an application for invalidation or lapse of the registration of a trademark has been accepted, the courts shall, at the claimant's request, issue an order to the Spanish Patent and Trademark Office that it should enter, for preventive purposes, the application in the Register of Trademarks.

(2) Once the decision is final, a declaration of invalidity or lapse of the registration of a trademark shall have the force of res judicata for all parties.

(3) A final decision declaring the registration of a trademark invalid or lapsed shall be communicated, either ex officio or at the request of a party, to the Spanish Patent and Trademark Office so that it may immediately cancel the Register entry and publish the details thereof in the Official Industrial Property Gazette.

TITLE VII COLLECTIVE MARKS AND GUARANTEE MARKS

Chapter I Collective Marks

Article 62. Concept and Ownership

(1) A collective mark is any sign able to be represented graphically, among those included in Article 4(2), which is used to distinguish in the market the goods or services of the members of an association which owns the trademark from the goods or services of other enterprises.

(2) Collective marks may be applied for only by associations of producers, manufacturers, traders or service providers having legal status, or by legal persons under public law.

(3) Notwithstanding the provisions of Article 5(1)(c), signs or indications which may be used in commerce to indicate the geographical origin of goods or services may be registered as collective marks. The right granted by a collective mark shall not enable its owner to prohibit a third party from using in commerce such signs or indications, provided that said use is made in accordance with fair industrial or commercial practices; in particular, said mark may not be binding on a third party authorized to use a geographical name.

(4) A collective mark may not be granted to third parties, nor may its use be authorized by those who are not officially recognized by the association.

Article 63. Regulations for Use

(1) An application for registration of a collective mark shall be accompanied by regulations for use in which, in addition to the data identifying the applicant association, the persons authorized to use the mark, the conditions for membership of the association and the conditions for use of the mark, the reasons for which an association member may be refused use of the mark and other sanctions which may be incurred shall be specified.

(2) Where a collective mark consists of an indication of geographical origin, the regulations for use shall provide that any person whose goods or services originate from that geographical area and meet the requirements prescribed by the regulations may become a member of the association.

Article 64. Rejection of the Application

(1) An application for registration of a collective mark shall be rejected in the same way and for the same reasons as an individual trademark and, in addition, where it does not meet the requirements of Articles 62 and 63, or where the regulations for use contravene the law, public order or morality.

(2) An application for a collective mark shall also be rejected where it may mislead the public as to the character or significance of the mark, in particular where it may give the impression that it is something other than a collective mark.

(3) An application shall not be rejected if the applicant, by means of an amendment of the regulations for use, satisfies the requirements of paragraphs (1) and (2).

Article 65. Amendment of Regulations for Use

(1) The owner of a collective mark shall submit to the Spanish Patent and Trademark Office any proposal for amendment of the regulations for use. The amendment shall be rejected where the amended regulations for use do not meet the requirements of Article 63 or infringe any of the registration prohibitions contained in Article 64.

(2) Amendments to the regulations for use shall have effect from the time they are registered with the Spanish Patent and Trademark Office.

Article 66. Causes of Invalidity

In addition to the causes of invalidity provided for in Articles 51 and 52, the registration of a collective mark shall be declared cancelled where it has been obtained in contravention of Article 64, except where the owner of the mark, by amendment of the regulations for use, satisfies the rules embodied in the provisions in question.

Article 67. Causes of Lapse

The registration of a collective mark shall lapse, as well as for the reasons provided for in Article 55, where any of the following circumstances arises and a final decision on the matter states that:

(a) the owner has arbitrarily refused admission to the association to a person with appropriate entitlement or has failed to satisfy another essential provision of the regulations for use of the mark; in the case of refusal to admit a person to the association, the courts may, taking

into account the circumstances, abstain from declaring lapse, thereby obliging the owner to admit the arbitrarily excluded person to the association;

(b) the owner has not adopted the appropriate measures to prevent the mark from being used in a manner incompatible with the regulations for use;

(c) as a result of the use permitted by the owner, the mark has become liable to mislead the public within the meaning of Article 64(2);

(d) an amendment to the regulations for use has been registered in contravention of Article 65(1), apart from where the owner of the mark, by means of a new amendment to the regulations for use, complies with the requirements set by the provisions in question.

Chapter II Guarantee Marks

Article 68. Concept

(1) A guarantee mark is any sign capable of being represented graphically, among those specified in Article 4(2), used by a plurality of enterprises subject to the control and authorization of its owner, who certifies that the goods or services to which the mark applies satisfy certain common requirements, especially as regards their quality, components or geographical origin or the technical conditions or method of preparation of the product or rendering of the service.

(2) Guarantee marks may not be applied for by persons who manufacture or market goods or services identical or similar to those for which the mark in question is to be registered.

(3) The provisions of Article 62(3) shall apply to guarantee marks.

Article 69. Regulations for Use

(1) An application for registration of a guarantee mark shall be accompanied by regulations for use which shall indicate the persons authorized to use the mark, the common features of the goods or services to be certified, the manner in which these features shall be verified, the controls and supervision of use of the mark to be carried out, the responsibilities which may be infringed by inappropriate use of the mark and the rules which, where appropriate, shall be respected by persons using the mark.

(2) The regulations for use shall be subject to a favorable report from the competent administrative body with regard to the nature of the goods

or services to which the guarantee mark refers. The report shall be deemed favorable once a period of three months has elapsed since it was requested without the competent administrative body having issued it. In the case of an unfavorable report, the guarantee mark registration application shall, where appropriate, be rejected, subject to a hearing with the applicant.

(3) If the guarantee mark consists of an indication of geographical origin, the regulations for use shall provide that any person whose goods or services originate from that geographical area and meet the requirements of the regulations may use the mark.

Article 70. Rejection of the Application

(1) An application for registration of a guarantee mark shall be rejected in the same manner and for the same reasons as an individual mark and, in addition, where it does not satisfy the requirements of Articles 68 and 69, or where the regulations for use are contrary to the law, public order or morality.

(2) An application for a guarantee mark shall also be rejected where it may mislead the public as to the character or significance of the mark, in particular where it may give the impression that it is something other than a guarantee mark.

(3) An application shall not be rejected if the applicant, by amendment of the regulations for use, satisfies the requirements of paragraphs (1) and (2).

Article 71. Amendment of Regulations for Use

(1) The owner of a guarantee mark shall submit to the Spanish Patent and Trademark Office any proposal for amendment of the regulations for use. The amendment shall be rejected where the regulations for use as amended do not meet the requirements of Article 69 or infringe any of the prohibitions contained in Article 70.

(2) The amendment of the regulations for use shall have effect from the time of its registration with the Spanish Patent and Trademark Office.

Article 72. Causes of Invalidity

In addition to the causes of invalidity provided for in Articles 51 and 52, the registration of a guarantee mark shall be declared invalid where

the mark has been registered in contravention of Article 70, except where the owner of the mark, through an amendment of the regulations for use, satisfies the requirements of the instructions in question.

Article 73. Causes of Lapse

The registration of a guarantee mark shall lapse, as well as for the reasons specified in Article 55, where one of the following circumstances arises and a final decision on the matter states that:

- (a) the owner has arbitrarily refused use of the mark to a person with appropriate entitlement or has failed to satisfy any other essential provision of the regulations for use of the mark; in the case of unjustified refusal to allow use of the mark, the courts may, taking into account the circumstances, abstain from declaring lapse and oblige the owner to authorize the use of the mark by the arbitrarily excluded person;
- (b) the owner has not adopted the appropriate measures to prevent the mark being used in a manner incompatible with the regulations for use;
- (c) as a result of the use allowed by the owner, the mark has become liable to mislead the public within the meaning of Article 70(2);
- (d) an amendment to the regulations for use has been registered in contravention of the provisions of Article 71(1), except where the owner of the mark, by further amendment of the regulations for use, complies with the requirements fixed by the provisions in question;
- (e) the owner has used the mark for the goods or services which he himself, or a person with whom he has economic links, manufactures or supplies.

Chapter III Common Provisions

Article 74. Public Nature of Regulations for Use

The regulations for use of collective or guarantee marks deposited with the Spanish Patent and Trademark Office may be freely consulted by any person, without any fee being payable.

Article 75. Use of the Trademark

The requirement for use of collective and guarantee marks shall be satisfied by the use which any authorized person makes in accordance with Article 39 of this Law.

Article 76. Bringing Action

(1) Actions resulting from the registration of a collective or guarantee mark may not be taken by the persons entitled to use said marks unless the owner has given express authorization or in the case of a provision

contrary to the regulations for use.

(2) The owner of a collective or guarantee mark may demand, at the expense of the persons entitled to use the mark, that they be compensated for the damage they have suffered through the unauthorized use of the mark.

Article 77. Temporary Prohibition of Registration of Cancelled Collective or Guarantee Marks

Collective and guarantee marks whose registration has been cancelled for any of the reasons provided for in this Law may not be registered for identical or similar goods or services for a period of three years beginning on the day on which the cancellation of the registration of the mark was published or, where such marks have lapsed owing to failure to renew them, on the day on which the grace period for renewing the registration ended.

Article 78. Applicable Provisions

The provisions contained in this Law relating to individual trademarks shall apply to collective and guarantee marks unless otherwise provided in this Title.

TITLE VIII INTERNATIONAL TRADEMARKS

Article 79. Application for Territorial Extension to Spain

Provided that the owner expressly requests it, the international registration of a trademark made within the scope of the Act in force in Spain of the Madrid Agreement of April 14, 1891 Concerning the International Registration of Marks (hereinafter "the Madrid Agreement"), and of the Protocol Relating to the Madrid Agreement of June 27, 1989 (hereinafter "the Protocol") or both, shall by extension have effect in Spain.

Article 80. Refusal and Grant of Protection in Spain

(1) Protection for an international trademark in Spain may be refused in accordance with Article 5 of the Madrid Agreement and Article 5 of the Protocol.

(2) For the purposes of a grant or refusal, Articles 19, 20, 21, 22, 25, 26, 27, 28 and 29(4) shall apply to the registration of an international trademark as appropriate.

(3) The publication of the application to which Article 18 refers shall be replaced, for international trademarks, by the publication which the International Bureau makes in its periodical gazette, in accordance with Article 3(4) of the Madrid Agreement or Article 3(4) of the Protocol. The Spanish Patent and Trademark Office shall publish in the Official Industrial Property Gazette a reference to the International Bureau publication in question.

(4) The period of opposition established in Article 19(2) shall begin at the time of publication in the Official Industrial Property Gazette of the reference mentioned in the preceding paragraph.

(5) Refusal of protection, either temporary in the case provided for by Article 21(1) or final in the case provided for by Article 22(1), shall be notified to the International Bureau in the manner and by the deadline established by the Joint Regulations Under the Madrid Agreement Concerning the International Registration of Marks and the Protocol Relating to that Agreement (hereinafter "the Joint Regulations under the Agreement and Protocol").

Article 81. Filing of the Application for International Registration

(1) The application shall be filed with the competent body under Article 11(1), (2), (3) and (4) by the owner of a trademark registered in Spain according to the provisions of the Madrid Agreement or by the owner of or mere applicant for a trademark according to the Protocol.

(2) When applying for international registration, for renewal of such registration or for the registration of any amendment a national fee shall be paid, failing which the application in question shall not be processed.

Article 82. Preliminary Examination of the International Application

(1) Once an application for international registration has been received, the competent body shall examine whether:

(a) the application has been filed using the official form provided for by the Joint Regulations under the Agreement and Protocol;

(b) the national fee has been paid.

(2) If the application filed does not satisfy these requirements, the applicant shall be notified of the defects observed so that, within the period determined by regulation, he may correct them; if they are not corrected, the matter shall be settled by withdrawing the application; if the application does not show any of these defects or such defects have been corrected, the competent body shall grant as the international registration filing date the date on which it received the application or the corrected version thereof, as the case may be, and shall forward it, with all the relevant documents, to the Spanish Patent and Trademark Office within five days.

(3) Once it has received an application, the Spanish Patent and Trademark Office shall, as the originating Office, examine whether:

(a) the applicant has the right to seek international registration in accordance with Articles 1 and 2 of the Madrid Agreement or, as the case may be, Article 2 of the Protocol;

(b) the information included in the international application shall correspond to that for national registration or, where appropriate, to that for an application for national registration, for the purposes of certifying compliance in accordance with Article 3(1) of the Madrid Agreement or, where appropriate, Article 3(1) of the Protocol.

(4) Should an international application fail to satisfy one of the requirements examined, the Spanish Patent and Trademark Office shall notify

the defects to the applicant and request him to correct them within the period established by regulation. If the defects are not corrected, the matter shall be settled by withdrawing the application.

(5) If the applicant corrects the defects appropriately, the Spanish Patent and Trademark Office shall indicate, as the international registration application date, the date on which it received the corrected version of the application.

Article 83. Conversion of an International Registration

(1) An international registration cancelled under Article 6(4) of the Protocol may be converted into a national trademark application for goods or services covered in Spain by said international registration if the application in question is sent to the Spanish Patent and Trademark Office within three months of the date of cancellation of said international registration.

(2) The person requesting conversion shall file a national registration application in accordance with Article 12 of this Law. This application shall also include the following data:

- (a) a statement that the application is for conversion;
- (b) the international registration number and the date on which the application is based;
- (c) an indication as to whether said registration has been granted or whether grant is pending in Spain;
- (d) domicile in Spain for notification purposes, in accordance with Article 29(4).

Certification from the International Bureau shall be attached to the registration application and shall indicate the trademark and goods or services for which the protection of the international registration had had effect in Spain prior to its invalidation. Such certification shall be accompanied by a translation into Spanish.

(3) A conversion application shall be deemed to have been filed on the date of international registration or subsequent extension to Spain, as appropriate, and, if it had priority, shall benefit from this right. Moreover, the conversion application shall be processed as a national trademark application. Nevertheless, if the conversion application refers to an international trademark already granted in Spain, its grant as a national trademark shall be accorded without further procedure pursuant to Article 22(4). An appeal based on the existence of absolute or relative

prohibitions may not be made against this agreement but it may be based on the failure to satisfy the requirements for the valid conversion or direct grant of the international registration applied for.

(4) For the purposes of Articles 31 and 32 of this Law, the date on which the application for conversion has been received by the Spanish Patent and Trademark Office, or where appropriate, that provided for in Article 16(3) of this Law, shall be considered the filing date.

TITLE IX COMMUNITY TRADEMARKS

Article 84. Filing of a Community Trademark Application with the Spanish Patent and Trademark Office

The filing of a Community trademark application with the Spanish Patent and Trademark Office within the scope of Article 25(1)(b) of Council Regulation (EC) 40/94, of December 20, 1993, on the Community Trade Mark shall give rise to payment of the appropriate fee. The Spanish Patent and Trademark Office shall indicate the date of receipt of the application and the number of pages that it comprises, and shall forward it to the Office for Harmonization of the Internal Market, provided the fee in question has been paid.

Article 85. Subsequent Declaration of Lapse or Invalidity

Where a Community trademark benefits from the age of a prior trademark which has effect in Spain, the prior trademark may be declared invalid or lapsed, even though that trademark has already been exhausted owing to failure to renew it, renunciation by the owner or non-payment of the maintenance fees, as the case may be.

Article 86. Conversion of a Community Trademark

(1) The procedure for converting an application for a Community trademark into an application for a national trademark shall begin with the receipt by the Spanish Patent and Trademark Office of the request for conversion, forwarded to it by the Office for Harmonization of the Internal Market.

(2) Within the period established by regulation, starting from the receipt of the request for conversion by the Spanish Patent and Trademark Office, the applicant shall satisfy the following requirements:

- (a) pay the fees established in Article 12(2) of this Law;
- (b) submit a translation into Spanish of the conversion request and of the accompanying documents where they are not drafted in Spanish;
- (c) designate a domicile in Spain for the purpose of notifications, in accordance with Article 29(4);
- (d) supply four reproductions of the trademark where the trademark is graphic or contains graphic elements.

(3) If by the time limit provided for in the preceding paragraph the requirements contained therein are not satisfied, the application for conversion shall be withdrawn. Where the requirements are satisfied, the Spanish Patent and Trademark Office shall take a decision as to the

admissibility of the conversion applied for in accordance with Articles 108(2) and 110(1) of Council Regulation (EC) 40/94 of December 20, 1993, on the Community Trade Mark.

(4) An application for conversion shall be considered filed on the filing date granted to it as a Community trademark application and, if it claimed priority or age, it shall benefit from these rights. Moreover, the application for conversion shall be processed in the same way as a national trademark application. Nevertheless, if the application for conversion refers to a Community trademark already registered, it shall be granted the status of a national trademark without further procedure, and the provisions of Article 22(4) shall apply, apart from the fact that, owing to renunciation, failure to renew or any other cause attributable to its owner, a pronouncement has been pending as regards the substance of any reason for invalidity or lapse capable of affecting the protection of the trademark in Spain, in which case it shall be processed as a national trademark application. No appeal based on the existence of absolute or relative prohibitions may be lodged against the direct grant agreement provided for in this paragraph, but such an appeal may be based on failure to satisfy the requirements for the valid conversion or direct grant of the Community trademark applied for.

(5) For the purposes of Articles 31 and 32 of this Law, the date on which the application for conversion has been received by the Spanish Patent and Trademark Office shall be considered to be the filing date.

TITLE X TRADE NAMES

Article 87. Concept and Applicable Provisions

(1) A trade name is any sign capable of being represented graphically which identifies an enterprise in the trading process and which is used to distinguish it from the other enterprises carrying out identical or similar activities.

(2) In particular, the following may constitute trade names:

- (a) patronymic names, business names and the names of legal persons;
- (b) imaginary names;
- (c) names alluding to the subject matter of corporate activity;
- (d) anagrams and logotypes;
- (e) images, figures and drawings;
- (f) any combination of the signs mentioned non-limitatively in the preceding subparagraphs.

(3) Unless otherwise specified in this Chapter, the provisions contained in this Law relating to trademarks shall apply to trade names in so far as they are not incompatible with the nature thereof.

Article 88. Registration Prohibitions

The following signs may not be registered as trade names:

- (a) those which may not constitute a trade name since they do not comply with Article 87;
- (b) those which infringe any of the absolute prohibitions contained in Article 5 of this Law;
- (c) those which may affect any prior right among those provided for in Articles 6 to 10 of this Law.

Article 89. Classification and Applicable Fees

(1) The application for registration shall specify the activities which claim to be distinguished by means of the trade name applied for, grouping the activities by class in accordance with the International Classification of Goods and Services, depending on whether the activities relate to the provision of services or the production or marketing of goods.

(2) The application for and renewal of a trade name shall be subject to payment of the appropriate fees, according to the number of classes covered, in the same way as for trademarks.

Article 90. Rights Granted by Registration

Registration of a trade name shall confer on its owner the exclusive right to use the name in economic transactions in the manner provided for in this Law.

Article 91. Invalidation and Lapse of a Trade Name

(1) A trade name shall be declared invalid in the same manner and for the same reasons as provided for trademarks in so far as it is not contrary to its nature, and also where the trade name has been registered in contravention of Article 88 of this Law.

(2) A trade name shall be declared lapsed in the same manner and for the same reasons as provided for trademarks in so far as it is not incompatible with its own nature.

First Additional Provision: Jurisdiction and Procedural Rules

The provisions in force contained in Title XIII of Law 11/1986 of March 20, 1986, on Patents shall, in relation to patents, apply to the different procedures for distinctive signs governed by this Law, insofar as this is not incompatible with their own nature, apart from Article 128 of said Law.

Second Additional Provision: Fees

The justification and rates for the fees to which Article 11(4) of Law 17/1975 of May 2, 1975, on the Establishment of the Independent Body "Industrial Property Registry" refers shall, in relation to distinctive signs, be those provided for in the Annex to this Law.

Third Additional Provision: Amendment of the Law on Patents

1. A new paragraph (3) is added to Article 125 of Law 11/1986 of March 20, 1986, on Patents, with the following wording:

"In the case of actions claiming infringement of the right to a patent, the same court to which the preceding paragraph refers in the Autonomous Community where the infringement has occurred or its effects have been produced shall, at the discretion of the claimant, also be competent."

2. Article 155 of Law 11/1986, of March 20, 1986, on Patents shall be worded as follows:

"1. The following may act before the Spanish Patent and Trademark Office:
(a) interested parties empowered to act in accordance with Title III of Law 30/1992, of November 26, 1992, on Legal Rules for Public Administrations and Joint Administrative Procedure;
(b) industrial property agents.

2. Non-residents of a Member State of the European Community shall, in all cases, act through an industrial property agent."

Fourth Additional Provision: Completion of Procedures

Where a time limit for completing a procedure relating to industrial property expires on a Saturday, the procedure in question may be validly carried out on the first working day following that Saturday.

Fifth Additional Provision: Time limits for Settlement of Procedures

The maximum periods for settling the procedures governed by this Law shall be calculated from the date of receipt by the Spanish Patent and Trademark Office of individual applications, as follows:

(a) grant of distinctive signs: 12 months if the application is not suspended

and has not been opposed, and 20 months if any of the said circumstances arises;

(b) renewal of distinctive signs: eight months if no suspension has occurred and 12 months in the opposite case;

(c) registration of transfers, real rights, contractual licenses and other amendments of rights or registration agreements: six months if no suspension has occurred and eight months in the case of suspension;

(d) restoration of rights: six months;

(e) conversion of international registrations: five months if the application for conversion refers to an international trademark already granted in Spain, and, in the opposite case, the period established for the procedure of granting national trademarks;

(f) conversion of Community trademarks: five months if the application for conversion refers to a Community trademark already registered and, in the opposite case, the period established for the procedure of granting national trademarks. In this case, the period shall be calculated from the date on which the applicant satisfies the requirements of Article 86(2) of this Law;

(g) any other industrial property procedure which is not subject to a specific settlement time limit: 20 months.

Sixth Additional Provision: Official Industrial Property Gazette

1. The Spanish Patent and Trademark Office shall publish periodically the Official Industrial Property Gazette in which applications, decisions and notifications relating to the service and procedures for the different forms of industrial property shall be entered, in accordance with the respective legislative provisions.

2. The Spanish Patent and Trademark Office shall make the Official Industrial Property Gazette available to the public on an computer medium on which it may be read.

Seventh Additional Provision: Application of the Restoration of Rights to Other Registrable Forms of Industrial Property

1. The provisions contained in Article 25 of this Law shall apply, insofar as this is not incompatible with their own nature, to patents, utility models, topographies of semiconductor products and industrial and artistic designs.

2. In addition to the exceptions provided for in Article 25(5), the restoration of rights shall likewise not apply to the time limits envisaged

in Article 33(1) and (2) and in Article 39(2) of Law 11/1986 of March 20, 1986, on Patents.

Eighth Additional Provision: Use of Electronic Resources

1. The Ministry of Science and Technology is empowered to determine within a period of two years, in collaboration with the Autonomous Communities that have assumed the relevant powers, those cases in which communications and the exchange of documentation between the Spanish Patent and Trademark Office, the competent bodies of the Autonomous Communities where appropriate and the users of their services may, or where necessary shall, be filed or submitted using an electronic carrier. The general conditions, requirements and technical features of the communications and the various documents shall be fixed by decision of the Director General of the Spanish Patent and Trademark Office.

2. Once the general conditions, requirements and technical features for the filing of applications on magnetic carriers or by telematic means have been established, the amount of the fees for registration applications, for the division of applications and for renewals shall be reduced by 15 per cent where the interested parties file said applications on a magnetic carrier or by telematic means.

Ninth Additional Provision: Communication of Protected Signs

For the purposes of the substantive examination of absolute prohibitions to be carried out by the Spanish Patent and Trademark Office, the following shall be communicated to that Office:

(a) by the competent body of the Ministry of Agriculture, Fisheries and Food: appellations of origin, protected geographical indications and names of protected plant varieties;

(b) by the competent body of the Ministry of Health and Consumer Affairs: the publication which, under the provisions of Article 15(3) of Law 25/1990 of December 20, 1990, on Drugs, makes of the list of official Spanish names for substances authorized in Spain, as well as the publication made by the World Health Organization of international non-proprietary names;

(c) by the competent bodies of the various public administrations: signs of public interest which, in accordance with Article 5(1)(k), are to be protected.

Tenth Additional Provision: Contractual and Budgetary Rules for Database Consultations Carried out by the Spanish Patent and Trademark Office

1. The consultations carried out by the Spanish Patent and Trademark Office

of national or foreign databases on technological development or on industrial property in general shall not require contracts to be drawn up in the terms provided for in the revised text of the Law on Contracts for Public Administrations, approved by Royal Legislative Decree 2/2000 of June 16, 2000.

2. The use of those databases shall require the existence of appropriate and sufficient credit in the expenditure budget of the Spanish Patent and Trademark Office. Payment to the suppliers for the consultations of said databases may be made by means of a record of payments for which proof must be provided.

Eleventh Additional Provision: Provision of Information Services by Means of Telematic Communication Networks

In cooperation with the Autonomous Communities, the Spanish Patent and Trademark Office may make available free of charge, using telematic communication networks, the Official Industrial Property Gazette together with information on the legal status of files, on the identity and similarity of distinctive signs, patents, utility models and industrial designs, on historical archives and, in general, on aspects relating to industrial property the disclosure of which is considered appropriate for reasons of technological information or industrial property dissemination or for other justifiable reasons.

Twelfth Additional Provision: Application of Law 30/1992 of November 26, 1992, on Legal Rules for Public Administrations and Joint Administrative Procedure

The administrative procedures relating to industrial property, and in particular the procedures for registration, renewal and the recording of transfers of rights and other registration acts shall be governed by their specific rules and, additionally, by the provisions of Law 30/1992 of November 26, 1992, on Legal Rules for Public Administrations and Joint Administrative Procedure.

Thirteenth Additional Provision: Amendment of Law 17/1975 of May 2, 1975, on the Establishment of the Independent Body "Industrial Property Registry"

1. Article 3(1) of Law 17/1975 of May 2, 1975, on the Establishment of the Independent Body "Industrial Property Registry", is amended and worded as follows:

"1. The Chairman of the Body."

2. Article 4 of Law 17/1975, of May 2, 1975 on the Establishment of the Independent Body "Industrial Property Registry", is amended and worded as follows:

"Article 4(1). The Chairman of the Body shall be the Under-Secretary of the Ministry to which the Spanish Patent and Trademark Office is attached.

2. The powers of the Chairman of the Body shall be to:

- (a) define the Body's policy and establish the guidelines for its action;
- (b) approve the management of the Director of the Body;
- (c) be familiar with the operation of the Spanish Patent and Trademark Office, by means of the reports produced periodically by the Director;
- (d) approve the preliminary draft income and expenditure budget, as well as the annual settlement thereof;
- (e) approve the Body's annual activity report;
- (f) adopt agreements, where appropriate, on subjects which by their nature and importance are known to him."

(3) Article 5 of Law 17/1975, of May 2, 1975, on the Establishment of the Independent Body "Industrial Property Registry", is amended and worded as follows:

"Article 5(1). The Director of the Spanish Patent and Trademark Office shall implement the guidelines drawn up by the Chairman of the Body and shall serve as the Body's legal representative and have effective powers of management for the services provided; he shall be responsible for supervising and monitoring all the entities dependent on the Body; shall settle all matters within the Body's remit, and his decisions relating to industrial property subjects for which he is competent shall mark the end of administrative procedures.

2. The appointment of the Director of the Spanish Patent and Trademark Office shall be made by Royal Decree on a proposal by the Minister of the Department to which the Body is attached".

Fourteenth Additional Provision: Prohibition on Grant of Names of Legal Persons which May Generate Confusion with a Known or Famous Trademark or Trade Name

The registration bodies competent to grant or verify names of legal persons shall reject the name or business name requested if it corresponds to or may generate confusion with a known or famous trademark or trade name under the terms of this Law, except where the authorization of the owner of the trademark or trade name has been obtained.

Fifteenth Additional Provision: Cooperation of the Spanish Patent and Trademark Office with International Organizations and Foreign Offices

The training and cooperation activities carried out by the Spanish Patent and Trademark Office in collaboration with international organizations and those which it conducts with foreign industrial property offices or their workers as beneficiaries, and which may be regarded as assistance or subsidies, shall not be subject to an advertising and competition procedure.

Sixteenth Additional Provision: Draft Law on Network Domain Names

At the appropriate time and following the necessary studies and consultations, the Government shall submit to the Congress of Deputies a draft law on the names included in the top-level country network domain ".es". The proposed enactment shall be based, inter alia, on the criteria applied to distinctive signs protected by industrial property legislation.

Seventeenth Additional Provision: Dissolution of Companies for Trademark Infringement

If a judgment for a trademark law violation requires a change of business name and the change is not made within one year, the company shall be dissolved as of right, and the Trade Registrar shall effect its removal ex officio, without prejudice to the provisions of Article 44 of this Law.

Eighteenth Additional Provision: Draft Law on Names of Legal Persons

At the appropriate time and following the necessary studies and consultations, the Government shall submit to the Congress of Deputies a draft law on the rules governing the business names of legal entities.

Nineteenth Additional Provision: Draft Law on Protected Appellations of Origin and Geographical Indications

At the appropriate time and following the necessary studies and consultations, the Government shall submit to the Congress of Deputies a draft law governing protected appellations of origin and geographical indications, to replace the current Law 25/1970 of December 2, 1970, containing the Statute on Vineyards, Wine and Alcohols.

First Transitional Provision: Transitional Rules of Procedure

The procedures on trademarks, trade names and business signs initiated prior to the entry into force of this Law shall be conducted and settled in accordance with the earlier legislation.

Second Transitional Provision: Application of this Law to Rights Already Registered

1. Trademarks and trade names granted during the period of validity of prior legislation shall be governed by this Law, except as provided for in the following paragraphs.

2. Trademarks and trade names granted in accordance with the Industrial Property Statute which have not been renewed during the period of validity of the 1988 Law on Trademarks shall, for their renewal and the payment of five-year fees, follow the provisions below:

(a) The first renewal thereof following the entry into force of this Law shall be filed within the six months prior to the end of the 20 years of their legal existence and shall comply with the provisions of Article 32. This renewal shall be granted for ten years starting from the filing date of the original registration application. Subsequent renewals shall be made in accordance with the provisions of this Law;

(b) Up to the time of the first renewal made following the entry into force of this Law, these trademarks and trade names shall be subject, on pain of lapse, to payment of the corresponding five-year fees. For these purposes, the expiry date of the five-year fees shall be the last day of the month in which each fifth anniversary of the date on which registration was granted falls, and the corresponding payment shall be made within the three months prior to the expiry date or in the month following said date.

3. Trademarks and trade names not included in the preceding paragraph the grant of which has been published, or the last renewal of which has been applied for under the terms of the 1988 Law on Trademarks, but prior to the entry into force of Law 14/1999 on Fees and Public Prices for Services Provided by the Nuclear Safety Council, shall be subject, up to the first renewal made following the entry into force of this Law, to payment of the corresponding five-year fees, on pain of lapse. For these purposes, the expiry date of the second five-year term shall be the last day of the month in which the fifth anniversary of the filing date of the original registration application falls, and the corresponding payment shall be made within the three months preceding the expiry date or in the month

following said date.

4. The amount of the five-year fees to which the prior paragraphs refer shall be that provided for in schedule 1.11 of the Annex to this Law. Once the period for payment of the corresponding five-year fee has ended without the fee having been paid, it may be paid with a surcharge of 25 per cent within the first three months and of 50 per cent within the following three months, up to a maximum of six months.

Third Transitional Provision: Transitional Rules for Registered Business Signs

1. Without prejudice to this transitional provision, business signs shall, as long as their registration is valid and insofar as this is not incompatible with their essential nature, be governed by the provisions of this Law.

2. Business sign registrations shall temporarily pursue their existence in accordance with the following:

(a) within the six months following the entry into force of this Law, business signs which are in force may be renewed for a period of seven years beginning on the said entry into force. The application for such renewal shall be accompanied by proof of payment of 50 per cent of the renewal fee provided for in schedule 1.8(a) of the Annex, for a single class. Where the renewal of a business sign includes only municipalities located in a single Autonomous Community, the renewal application shall be filed with the competent bodies of said Community, which shall be responsible for ruling on it and recording the event, without prejudice to the timely notification to the Spanish Patent and Trademark Office, within a period of five days, of both the filing of the renewal application and the ruling, for the purposes of the appropriate register entry. At the request of the competent Autonomous Community bodies, the Spanish Patent and Trademark Office shall issue copies of these business sign files. The fees to be paid for the renewal of these titles shall be collected by the competent Autonomous Communities and shall be paid in the manner provided for by those Communities;

(b) business signs which have not been renewed in accordance with the previous subparagraph or those which are granted subsequent to the entry into force of this Law by virtue of the first transitional provision, shall remain registered up to the end of the period of ten or 20 years for which they have been granted or most recently renewed. Payment for the business signs covered by this subparagraph, which are subject to five-year fees, shall be made, on pain of lapse, within the period provided

for in paragraph (2)(b) or paragraph (3) of the second transitional provision, according to the legislation under which they have been granted or most recently renewed. Paragraph 4 of the said transitional provision shall also apply.

Once the period of valid registration provided for in the preceding subparagraphs has elapsed, registration of the business signs shall be permanently cancelled and the titles shall be protected by the general provisions on unfair competition, in accordance with Articles 6 and 12 of Law 3/1991 of January 10, 1991, on Unfair Competition and by the following transitional provision.

3. During the period of valid registration for business signs:

(a) signs which are identical to a business sign previously applied for or registered may not be registered to designate the same activities as the goods, services or activities for which a trademark or trade name is applied for. For these purposes, the owner of a business sign may oppose the registration of said signs in accordance with Article 19, or request the invalidation of those signs where they have been registered in contravention of this paragraph;

(b) a business sign may be declared invalid or lapsed in the same manner and on the same grounds as provided for trademarks. It may also be declared invalid where it has been registered despite the fact that it does not differ sufficiently from a trademark, trade name or business sign, in this case for the same municipality, which precedes it and is intended for identical or similar goods, services or activities.

Fourth Transitional Provision: Extra-Registration Protection of Permanently Cancelled Business Signs

1. The owner or beneficiary of a business sign which has been permanently cancelled under the provisions of the last subparagraph of paragraph (2) of the third transitional provision may oppose the use of a trademark or trade name within the municipality for which it has been protected by registration if said distinctive signs were subsequent to and incompatible with said sign as provided in paragraph 3(a) of the third transitional provision.

2. Paragraph (1) shall cease to apply if the owner of a business sign has for a period of five consecutive years knowingly tolerated the use of the trademark or trade name within the municipality in which said title has protection, unless the application for these distinctive signs has been made in bad faith.

3. The owners of trademarks or trade names registered subsequently may not oppose the use of the business signs envisaged in paragraph (1) even where those titles, pursuant to the preceding paragraph, can no longer be invoked against said subsequent trademarks or trade names.

4. The rights granted in this transitional provision shall be exhausted 20 years after invalidation of registration, in accordance with the last subparagraph of paragraph (2) of the third transitional provision, or if the business sign ceases to be used for an uninterrupted period of three years.

Fifth Transitional Provision: Start of Registration Activities of the Competent Bodies of Autonomous Communities

The Autonomous Communities which, by statute, are empowered to enforce industrial property legislation shall, subject to coordination with the Spanish Patent and Trademark Office, publish in their respective Official Gazettes the date on which the competent bodies of the Autonomous Communities shall start their work of receiving and examining applications in accordance with this Law. Until the establishment of said bodies, the registration functions entrusted to them shall be performed by the Spanish Patent and Trademark Office.

Similarly, until said bodies come into operation, the Spanish Patent and Trademark Office shall assign as filing dates to applications which, where appropriate, have been filed with the authorities of said Autonomous Communities the date that has been recorded by these Communities as the date of receipt of the documentation containing the items to which Article 13 refers.

Sixth Transitional Provision: Classification of Trade Names

1. In the first renewal made after the entry into force of this Law, trade names granted under prior legislation shall be classified in accordance with Article 89 of this Law.

2. The applicant for renewal shall submit his classification proposal without modifying the literal meaning of the list of activities, although he may re-order them or renounce those of his choice. Should the Spanish Patent and Trademark Office not regard the classification submitted as correct, it shall propose a new classification to the interested party so that, within the period determined by regulation, he may take a decision thereon. Once this period has expired, the Spanish Patent and Trademark Office shall settle the matter, irrespective of whether the interested

party has responded.

3. For the first renewal the renewal fee provided for in schedule 1.8(a) of the Annex shall be paid for a single class. Subsequent renewals shall be subject to payment of the renewal fee at an appropriate rate, according to the number of classes which the renewal application contains.

Seventh Transitional Provision: Merger of Registrations

On the first renewal which takes place following the entry into force of this Law and at the request of the interested party, trademarks granted for different classes under prior legislation may be unified in a single registration, provided that the owner, the sign and the date are identical and the appropriate additional renewal fees are paid. The merger procedure shall be determined by regulation.

Eighth Transitional Provision: Lapse for Non-Payment of Five-Year Fees

Article 56 of this Law shall apply to trademarks, trade names and business signs to be declared lapsed for non-payment of the five-year maintenance fees.

Single Repeal Provision

1. All provisions of the same or lower rank which contradict or conflict with the provisions of this Law are repealed.

2. The following provisions are expressly repealed:

(a) Law 32/1988 of November 10, 1988, on Trademarks;

(b) the Industrial Property Statute, approved by the Royal Decree-Law of July 26, 1929, revised text approved by Royal Order of April 30, 1930, and ratified with force of law by the Law of September 16, 1931, Chapter II, Title XI, insofar as it relates to trademarks, trade names and business signs;

(c) Law 17/1975, of May 2, 1975, on the Establishment of the Independent Body "Industrial Property Registry", Article 4(11), as regards trademarks, trade names and business signs, and Article 11(5), paragraph (2)(b);

(d) Article 2 of Royal Decree-Law 8/1998, of July 31, 1998, on Urgent Industrial Property Measures;

(e) Law 14/1999, of May 4, 1999, on Fees and Public Charges for Services Provided by the Nuclear Safety Council, sixth and seventh additional provisions and second transitional provision.

First Final Provision: Title of Competence

This Law shall be issued in accordance with the State's powers as regards industrial property legislation, as provided for by Article 149.1.9a of the Constitution.

Second Final Provision: Development of the Law

The Council of Ministers shall be authorized to enact such provisions for the implementation and development of this Law as may be necessary.

Third Final Provision: Entry into Force

This Law shall enter into force on July 31, 2002, except for the provisions of Title V, Article 85 and the third, fourth, eighth, tenth, eleventh, thirteenth, fourteenth and fifteenth additional provisions, which shall enter into force on the day following publication of the Law in the Official State Gazette.

ANNEX

The fees provided for in the second additional provision shall be as follows:

First Schedule: Acquisition, Defense and Maintenance of Rights

1.-(1) Fee for application for registration:

(a) of a trademark or trade name. For each class applied for: 134.39 euros (22,360 pesetas);

(b) of a guarantee or collective mark. For each class applied for: 268.77 euros (44,720 pesetas);

(c) of an international registration (national fee): 36.06 euros (6,000 pesetas);

(d) a Community trademark (receipt and forwarding fee): 24.04 euros (4,000 pesetas).

1.-(2) Divisional fee. For each application or resulting divisional registration: 51.09 euros (8,500 pesetas).

1.-(3) Fee for restoration of rights: 89.01 euros (14,810 pesetas). Urgent settlement request fee: 45.39 euros.

1.-(4) Fee for applications where no specific fee is indicated: 44.50 euros (7,405 pesetas).

1.-(5) For each foreign or exhibition priority claimed: 19.05 euros (3,170 pesetas).

1.-(6) Amendments: for the amendment of a class, procedure or characteristic, the list of goods or services, the regulations for use or, in general, any amendment of the file authorized by the Law, be it of a trademark application or registration, irrespective of whether it is done spontaneously or as a result of a suspension decreed ex officio: 21.55 euros (3,585 pesetas).

1.-(7) Oppositions: for filing of an opposition: 38.56 euros (6,410 pesetas).

1.-(8) Registration renewal fees for:

(a) a trademark or trade name. For each class renewed: 155.60 euros (25,890 pesetas);

(b) a guarantee or collective mark. For each class renewed: 312.53 euros (52,000 pesetas).

1.-(9) Delays: for delays in the payment of renewal and successive five-year fees (transitional rules), the extra charges shall be 25 per cent within the first three months and 50 per cent within the following three months, up to a maximum delay of six months.

1.-(10) Appeals and review of administrative acts: for the submission of an appeal or request for review: 89.01 euros (14,810 pesetas).

1.-(11) Successive five-year fees (transitional rules): 69.54 euros (11,570 pesetas).

Second Schedule Recording of Transfer of Rights and Other Amendments

2.-(1) For the recording or deletion of changes of ownership, licenses, real rights, purchase options or other restrictions or precautionary or enforcement measures. For each registration affected: 28.24 euros (4,698 pesetas) [up to a maximum of 6,010.12 euros (1.000.000 pesetas)].

2.-(2) For the registration of a change in the name of the owner. for each registration affected: 14.12 euros, up to a maximum of 2,404.05 euros.

Third Schedule: Other Services

3.-(1) Certifications: 14.27 euros (2,375 pesetas).

3.-(2) Consultation and viewing of a file: 3.01 euros (500 pesetas).

3.-(3) Copying of documents relevant to a file: 9.62 euros (1,600 pesetas) plus a supplement of 0.96 euros (160 pesetas) for each page in excess of ten pages.

Fourth Schedule: Publications

4.-(1) For publication in the Official Industrial Property Gazette, at the request of an appellant, of an announcement of the lodging of an administrative challenge procedure relating to distinctive signs: 120.20 euros (20,000 pesetas).

4.-(2) For publication in the Official Industrial Property Gazette, at the request of a party, of the failure of an administrative challenge procedure on distinctive signs: 120.20 euros (20,000 pesetas).