

## AMENDMENTS TO ACT 17/2001, OF 7 DECEMBER, ON TRADEMARKS

The latest reform of the current Spanish Trademark Act entered into force on 14 January 2019, in an effort to harmonise national trademark legislation with the European legal framework

### INTRODUCTION

On 22 January 2019, the Spanish Parliament ratified Spanish Royal Decree-law 23/2018, of 21 December, which transposes EU directives on trademarks, rail transport and package trips and related travel services to Spanish law (the "**Royal Decree-law**"), which entered into force on 28 December 2018. Title I thereof is devoted to the amendment of Spanish trademark law; specifically, Act 17/2001, of 7 December, on Trademarks (the "**Trademark Act**").

This amendment entails the transposition to Spanish law of Directive (EU) 2015/2436 of the European Parliament and of the Council of 16 December 2015 to approximate the laws of the Member States relating to trade marks (the "**Directive**"), as well as the inclusion of some other new aspects.

Although this Directive's transposition was initially to occur through the approval of a new Spanish trademark act, and the draft bill was already in the works, the approaching deadline for harmonising national law to EU law has led to this being enacted in the form of a Royal Decree-law, thus instead entailing an amendment to the currently existing Spanish Trademark Act.

Save for some exceptions, the new text of the Spanish Trademark Act entered into force on 14 January 2019.

#### The most relevant changes consist of the following:

- Entitlement to apply for a trademark
- Removal of the graphic representation requirement
- Competence of the SPTO to hear revocation and invalidity actions
- Elimination of the concept of 'well-known' trademark
- Proof of use in opposition proceedings

## RELEVANT CHANGES

The most relevant changes contained in this amendment are as follows:

- **Entitlement to apply for a trademark or trade name.** This is an amendment not expressly established in the Directive and which is designed to remove the restrictions contained in the previous Trademark Act. Now, any natural or legal person, including public corporations, may apply to register a trademark or trade name, regardless of the applicant's nationality or the Member State where it has its establishment or domicile.
- **Removal of the "graphic representation" requirement for trademarks.** This change is set out in the Directive and entails the removal of the former requirement for trademarks to be represented by graphic means. Now, any sign can constitute a trademark, provided that it (i) serves to distinguish the products and services of one company from those of others, and (ii) can be represented in the Trademark Registry in such a way that the subject of the protection granted to its proprietor can be plainly determined. This change permits those signs that are represented by means of audio or video files to also be registered. The director of the Spanish Patent and Trademark Office ("**SPTO**") has issued a Decision in this regard, dated 9 January 2019, providing applicants with information on the various forms in which trademark applications can be presented, depending on the type of trademark in question.
- **Elimination of the concept of "well-known" trademark.** In line with the provisions of European Union legislation on trademarks and in order to transpose the contents of the EU Directive, this Royal Decree-law amends the article on well-known and reputed trademarks, eliminating the concept of "well-known", which consisted of trademarks that were known by the relevant sector of the public targeted by the products or services identified by the trademark. Only the concept of trademark with reputation is maintained; this was defined as a trademark that is known by the general public. As the SPTO now states, under the Royal Decree-law, a reputed trademark can be reputed by a specific sector or by the general public.
- **Proof of use in opposition proceedings.** Also to harmonise with the provisions of EU legislation on trademarks, the Royal Decree-law adds an amendment in relation to opposition proceedings, consisting of the possibility for the trademark applicant facing opposition to request that the opponent – the proprietor of an earlier trademark registered for at least 5 years – furnish proof of the use of the earlier trademark on which it is basing its opposition during the 5-year period prior to the application date or the priority date of the trademark in question, or give justified reasons for its lack of use. If such proof is not provided, the opposition is dismissed.

Despite that this amendment was included in Spanish law prior to the deadline established in the Directive (14 January 2019), Final Provision Seven of the Royal Decree-law postpones its entry into force until the date the implementing regulations enter into force. Therefore, although this "proof of use" mechanism has been transposed

to Spanish law, it cannot currently be invoked. We will thus have to wait for the Spanish Government to approve the royal decree implementing it.

- **Trademark revocation and invalidity actions.** Another major change introduced by the Royal Decree-law affects proceedings seeking the revocation and invalidity of trademarks. **The possibility of directly bringing an action before the courts, seeking the revocation or the invalidity of the Spanish trademark, is eliminated. The SPTO will have competence to hear and decide these actions,** although ordinary courts may hear them only when they take the form of a counterclaim in trademark infringement proceedings. However, this change will not enter into force until 14 January 2023, as established in the Directive.
- **Use of the trademark.** One further amendment consists of the change in the date on which the 5-year period of use begins to be counted, for the purpose of preventing the trademark from expiring. According to the new Royal Decree-law, this 5-year period begins not on the date of publication of the trademark's granting, but on the date when the trademark's registration becomes final. This date will be recorded at the registry.

## OTHER CHANGES

Together with these changes, the Royal Decree-law also contains other less noteworthy changes, such as: (i) expanding the list of absolute grounds for refusing to register a trademark by adding prohibitions regarding plant varieties and traditional specialities guaranteed, terms for wine and designations of origin and geographical indications; (ii) modifying the effects of trademark revocation; (iii) including the prohibition for trademark proprietors to invoke their trademarks to release them from liability in actions for infringement of other earlier intellectual property rights; (iv) expanding the scope of protection of the trademark, under certain conditions, to goods in transit in Spain; and (v) regulating the licensee's *locus standi* to intervene in trademark infringement proceedings to claim damages.

Lastly, it is worth noting that the Royal Decree-law makes no express mention as to how the indications for the products and services protected by the trademarks should be interpreted, particularly when the applicant has decided to use general terms to describe said products and services, including the general indications from the Nice Classification. Although Article 39.5 of the Directive specifically addresses this issue, establishing that in such cases it will be understood that these general terms include only all the products or services clearly covered by the literal meaning of the indication or term considered, this has not been expressly reflected in the Royal Decree-law. And, although the provisions of that article reflect common practice at the SPTO, this has been indeed a missed opportunity to include it in the text of the Royal Decree-law, which would have given applicants more clarity on the scope of protection of their trademark applications. Perhaps we will have to wait for the Spanish Government to approve the royal decree implementing this new regulation.

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