



## **Trade names and corporate names in the Spanish Trademark Act and the European Union trade mark Regulation**

The legal regime of trade names, in one hand in the Spanish Trademark Act and in the other hand in the European trade mark Regulation, is a direct consequence of the commitment that countries which have ratified the Paris Convention, and in particular the regime concerning the protection of trade names “without the obligation of filing or registration, whether or not it forms part of a trademark” (article 8 of the Paris Convention), have subscribed. The latest amendments suffered in the Spanish Trademark Act in relation to prior rights and trade names, lead us to the occasion to deepen and look into the aforementioned regime as well as in the EU regulation.

### **1. Legal regime of the Spanish trademark**

Pursuant to Article 9.1 of the current Spanish Trademark Act (hereinafter TA), without due authorization, the following may not be registered as trademarks: “the trade name, corporate 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 notorious knowledge of said signs throughout the national territory. Should they satisfy these requirements, the foreigners who, in accordance with Article 3 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 notorious knowledge in Spain of their unregistered trade name”.

Also, Article 52 of the TA states that “the registration of a trademark shall 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”. In addition, it is also mentioned in paragraph 2 that “the owner of a prior right of those embodied in Articles 6, 7, 8 and 9.1 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, on the basis of said prior right for the goods or services for which the subsequent trademark has been used...”.

## **2. Legal regime in the European trade mark Regulation.**

As provided in article 8.4 of the Regulation (EU) 2017/1001 (hereinafter the Regulation), “upon opposition by the proprietor of a non-registered trade mark or of another sign used in the course of trade of more than mere local significance, the trade mark applied for shall not be registered where and to the extent that, pursuant to Union legislation or the law of the Member State governing that sign:

- (a) rights to that sign were acquired prior to the date of application for registration of the EU trade mark, or the date of the priority claimed for the application for registration of the EU trade mark;
- (b) that sign confers on its proprietor the right to prohibit the use of a subsequent trade mark”.

And article 60.1, c) of the quoted Regulation, states that the EU trade mark shall be declared invalid on application to the Office or on the basis of a counterclaim in infringement proceedings “where there is an earlier right as referred to in Article 8(4) and the conditions set out in that paragraph are fulfilled”.

Finally, article 61.2 refers to the fact that “where the proprietor of an earlier national trade mark as referred to in Article 8.2 or of another earlier sign referred to in Article 8.4 has acquiesced, for a period of five successive years, in the use of a

later EU trade mark in the Member State in which the earlier trade mark or the other earlier sign is protected while being aware of such use, he shall no longer be entitled on the basis of the earlier trade mark or of the other earlier sign to apply for a declaration that the later trade mark is invalid in respect of the goods or services for which the later trade mark has been used, unless registration of the later EU trade mark was applied for in bad faith". Notwithstanding the foregoing, paragraph 3 of this same article lays down that "the proprietor of a later EU trade mark shall not be entitled to oppose the use of the earlier right, even though that right may no longer be invoked against the later EU trade mark".

### **3. Considerations on the protection of trade names and corporate names in both bodies of rules.**

The TA as well as the Regulation specify the scope of protection of the trade names following the basis of article 8 of Paris Convention. The TA mentions the trade name along with business and corporate names of legal entities. The corporate or business name (which refers to the one composed by at least the name of one of the partners), has its impact in the trademark sphere as long as it is used in the course of trade. When this use has only a legal relevance, that is to say, it is only used for legal transactions, this regime shall not apply. The Regulation refers to the sign used in the course of trade, with notorious benefit than in the TA, since when the sign is not used in the course of trade, it cannot simply be placed within the trademark protection scope.

In both bodies of rules, one may find that both situations are found under relative grounds for trademark invalidation, that is to say, any third party may file an opposition or claim the invalidation of a trademark already granted.

#### **3.1 Requirements for the protection of trade names and corporate names in connection with the European Union trademark.**

In order to file an opposition or a nullity action against a trademark, the owner of prior right must fulfill the following requirements:

1. the sign upon which the opposition or the nullity claim is based must be used in the course of trade;
2. the sign must be of more than mere local significance
3. the right to that sign must have been acquired in accordance with the law of the Member State in which the sign was used prior to the date of filing of the application for registration of the EU trade mark:
4. the sign must confer on its proprietor the right to prohibit the use of a subsequent trade mark.

The first two conditions (the sign's use and scope), shall be interpreted and proved in accordance to EU law. This has been ratified and confirmed by EU case law, and in particular the latest judgement of the General Court in the light of the T-287/17 SWEMAC INNOVATION AB against SWEMAC MEDICAL APPLIANCES AB and EUIPO matter of February 7, 2019. However, this does not entail that the use of the sign in the course of trade is to be proved covering all the EU member states. Some other judgements have also determined how should we interpret the second requirement, that is to say, when to consider that the business/corporate and trade name has more than mere local significance. The aim of term *of more than mere local significance* is to show that the prior right has been used in the past in such a way that it proves the local sufficient significance in the course of trade, and not in a minor part of the country where it is registered.

To make a long story short, when evidencing the scope of the use, the owner of the prior right needs to submit proofs equal to those that would be submitted when claiming the well-known status of a trademark in a certain Member State. The logic behind this is to demand a higher effort to the proprietors of the prior rights as not to be in the same line of protection of the proprietors of trademark rights. To clarify this statements one needs to quote the Court of Justice judgement of March 29, 2011 within the context of the matter C-96/09 P, where in a very clear way it was defined that the significance of the sign concerned has to be of a sufficient relevance in the course of trade and in the territory where the sign is protected, in a substantial part of the same. This clarification must be interpreted together with the judgement of the General Court in the matter T-581/11, where it was set the relevant timeframe to take into account when trying to prove the relevant use of the sign: the body of

evidence must include documents from the date of registration of the challenged trademark and at least until the opposition or cancellation action is filed. It is worth mentioning that if additional evidence not comprising the aforementioned dates are also filed, this will indeed enhance the chances of success of obtaining a successful outcome.

As for the remaining requirements: 1) the right to that sign must have been acquired in accordance with the law of the Member State in which the sign was used prior to the date of filing of the application for registration of the EU trade mark; 2) the sign must confer on its proprietor the right to prohibit the use of a subsequent trade mark, those should be implemented according to the national legal framework. That is to say, the national regulation, and in the matter at hand, the Spanish regulation will play the main role. The proprietor of the signs, and in particular the owner of the corporate or business and trade name, will bear the burden of proof as with regard to the evidence of use and scope and applicable law.

### **3.2 Requirements for the protection of trade names and corporate names within the Spanish trademark law regime.**

The TA states the following requirements, which are of mandatory fulfillment:

1. The existence of likelihood of confusion among the public
2. The proof of use or notorious knowledge of the concerned signs in the entire country

As for the likelihood of confusion, in which we shall also include the likelihood of association, one may observe that this condition cannot be found in the Regulation. The logical reasoning behind, and as mentioned before, is that the right of the proprietor of the trade name, and in particular its “content”, is not governed by the EU law but by the national regulations.

Concerning the last requirement, the proof of use or notorious knowledge of the trade name or corporate/business name, this shall be interpreted in the sense that those rights shall be used as a “sign” and the notorious knowledge is to be considered throughout the national territory. The burden of proof lays on the owner

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of the prior right who files the opposition or seeks to cancel the national registered trademark.

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