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INTRODUCTION ABSOLUTE AND RELATIVE PROHIBITIONS

Spanish and European legislation clearly distinguish between absolute and relative prohibitions. According to the Statement of Grounds of the Law, absolute prohibitions correspond to public or general interests while relative prohibitions refer to individual or private interests.

Absolute prohibition means that there is an **intrinsic problem** with the trademark (as it stands it cannot be awarded) which prevents it from being registered. This impediment is based on public interests. Relative prohibition, on the other hand, means that the sign is not available because a conflict of interests exists with regard to the rights of a third party. The rights of the third party are individual interests.

In the tradition of the SPTO, when examining an application to register a trademark, a general principle is always taken into account: any person with the legal right to apply for a trademark has the right to obtain it and the Administration is obliged to award it unless the sign for which registration is sought does not have distinctive capacity or is covered by any of the reasons expressly stated in law to refuse registration.

In relation to all registration prohibitions, when interpreting and applying a regulation, we should bear in mind the mandate, in the form of case-law doctrine, to which we are subjected by the Supreme Court. It clearly states that regulations that restrict rights, which include trademark prohibitions, must be interpreted restrictively.

This restrictive interpretation of regulations, in their practical application, means that a right can only be restricted or prohibited when each and every one of the circumstances established by the law are strictly and precisely met. As a continuation of this essential mandate, it is prohibited to make an analogous extension of the prohibition.

When applied to the field in which we operate, this translates into the fact that a trademark application can only be rejected when all the legal circumstances that lead to its refusal are faithfully met.

In Spain, **the reasons for refusal are legally assessed**: a trademark can only be refused registration if it lacks distinctive capacity or if the trademark for which registration is sought is covered by any existing legal prohibition. This means that the SPTO cannot refuse to register trademarks based on non-compliance with administrative requirements which are not expressly covered by the Trademark Act (or its regulations). These include any kind of administrative authorisations needed to carry out the activity or marketing of the product to which the trademark will be applied.

Article 3 of the treaty on trademark rights, ratified by Spain, states:

“...In particular, the following may not be required in respect of the application throughout its pendency:

- i) the furnishing of any certificate of, or extract from, a register of commerce;*
- ii) an indication of the applicant’s carrying on of an industrial or commercial activity, as well as the furnishing of evidence to that effect;*
- iii) an indication of the applicant’s carrying on of an activity corresponding to the goods and/or services listed in the application, as well as the furnishing of evidence to that effect;....”*

➤ **Absolute prohibitions** refer to the sign itself. The sign or medium is incapable of functioning as a trademark, either because it is totally incapable of distinguishing goods or services, or because it is incapable of distinguishing the goods or services for which the trademark is requested. Under these circumstances attempts are made to prevent the awarding of a trademark from becoming a competitive advantage for the trademark holder which makes it difficult for its competitors to access the market. It is a question of protecting a **public or general interest**: upholding the system of free competition and, in particular, ensuring that the trademark system does not become an obstacle to the free market system, as opposed to an instrument for ensuring effective and honest competition. There are, however, certain absolute prohibitions that can

be overcome through acquired distinctiveness, resulting from the holder using the sign that comprises the trademark in the marketplace.

- **Relative prohibitions** are cases in which the sign itself is eligible for protection but the earlier rights of third parties mean that the sign is not available. These rights may be intellectual or industrial property rights over the sign, or may be due to the civil protection of the name and the image itself. These prohibitions can be overcome or avoided with the express authorisation of the third party who holds the earlier right.

Under current Spanish legislation, absolute prohibitions are examined by operation of law, while relative prohibitions are examined this way only under very special circumstances. As we can see, and unusually for the Spanish legal tradition, the SPTO does not examine the existence of earlier similar trademarks by operation of law.

- **The distinction between absolute and relative prohibitions** is important in relation to actions because, for absolute prohibitions, the invalidity action is imprescriptible while for relative prohibitions, limitation in consequence of acquiescence applies. **The action of absolute invalidity is imprescriptible**, which means that a trademark that is incorrectly awarded can be declared null and void at any time, regardless of the number of years that have passed since it was awarded.

The different regulation of the limitation highlights the difference in the basis for each type of prohibition. In the case of absolute prohibitions, it is the general interest that prevents its registration and, consequently, the action is imprescriptible, whereas relative prohibitions exclusively protect individual interests, for which reason the action is subject to limitation.

Absolute prohibitions are intended to protect the competitive system: in some cases there needs to be a series of signs that are freely available for all business people. These are signs that no business person can have exclusive ownership over as this would give them a competitive advantage over everyone

else. In other cases, there are signs that cannot be directly used by any business person, as in the case of misleading signs.

Under Spanish legislation, absolute prohibitions are not only subject to examination by operation of law, they can also be subject to **opposition**. Under the Spanish procedure, opposition can be based not only on relative reasons and earlier rights, but also on the inappropriate nature of the sign.

In certain cases, there are problems defining different types of absolute prohibition. These problems have a practical consequence: there are some absolute prohibitions which can be overcome through acquired distinctiveness, whereas there are others for which this is never the case.

In principle, the reasons for absolute invalidity are the same as those for absolute prohibitions on registration, but there is one case and one reason for invalidity: **registration in bad faith**, which does not constitute an absolute prohibition on registration. It is therefore important to point out that, although the SPTO may believe that the application for registration has been made in bad faith, for example, because this is proven by the person affected by the presentation of evidence, it cannot refuse to award the trademark for this reason, and this can only be decided in a subsequent lawsuit for invalidity. The person affected must go to the courts of justice and request the absolute invalidity of the trademark on the grounds that the application was made in bad faith.

➤ **Absolute prohibitions on registration in Art. 5.1.a)**

“1. The following signs cannot be registered as trademarks:

- a) *Those which do not conform to the definition of a trademark as laid down in [Article 4.1](#) of the present Act.”*

The list of absolute prohibitions on registration begins by establishing that signs which do not conform to the **concept of a trademark** expressed in Article 4,

cannot be registered: “A *trademark shall be any sign capable of being represented graphically which is capable of distinguishing the goods and services of one company in the marketplace from those of other companies*”.

The fundamental reason for the existence of absolute prohibitions lies in the protection of a series of public interests.

More specifically, the interests protected in this section relate, on the one hand, to the SPTO's duty to examine the sign for which trademark status is sought and the minimum conditions that this sign has to fulfil, not only to become what the law defines as a trademark, in sufficiently broad terms, but also to enable the SPTO to effectively carry out, and with the required guarantees, checks to ensure that the proposed sign meets the minimum requirements to be defined as a trademark. And this is because, combined with the duty to examine whether the sign fulfils the minimum conditions to become a trademark, the SPTO must also publish the sign in the BOPI (Spanish Official Industrial Property Gazette), a publication instrument where all hypothetical signs which could legally become trademarks have to be listed. On the other hand, third parties may be interested in knowing about new trademark applications, which they can look up in the BOPI, or trademarks which have already been registered, which can be found in the Trademark Register. In both cases, the concept of trademark and its specific expression in trademark "x" have to allow for a degree of certainty over the existence and characteristics of the trademarked sign, which in turn provides due legal certainty over the scope of the right being examined.

In order to assess whether the sign proposed as a trademark may be subject to the prohibition analysed, the following aspects need to be taken into account:

1. The trademark as a sign

The presence of the term "**sign**" in the legal definition of a trademark allows for a broad interpretation, not only due to its own generic and abstract nature, but also and particularly because the Trademark Act sets out, in the second section of Art. 4, a non-exhaustive list of possible signs

that are suitable for trademark status, either on their own or combined with other signs (words, images, figures, symbols, numbers, letters, shapes, etc.). Despite the extent of possible signs, we should remember that, above all, it must be possible for the signs to be represented graphically and, most importantly, they must be suitable for distinguishing specific goods or services from others on the market.

For this reason, signs must have a minimum degree of consistency and stability which makes it possible to identify them and for them to have permanence in time (Ruling Heidelberg Bauchemie, C-49/02, ECJ). Likewise, they must be identified in a specific way through their particular graphical representation. Applications for trademarks that attempt to appropriate all the possible shapes and/or colours of a particular product are not accepted (Ruling Dyson, C-321/03, TJCCEE). This is because it must be possible to reproduce the trademark in the application to be filed with the SPTO, as established in Art.12 of the Act and implemented through Art. 2 of the Implementing Regulation.

The "sign" nature of a trademark prevents a number of different cases from being accepted as trademarks. For example, a sign that can be considered as a mere property or element of a product, be it a material aspect or a representation of one of its functions, (application nos. 2.168.677/8 and 2.170.065/6, all depicting schemes of possible glazed windows/doors, no. 2.391.113, sketches of a possible school uniform, international no. 727.908 consisting of the schematic representation of a bar of soap). Similarly, for this purpose, the mere expression of an idea without further specific details would not be considered as a sign (applications that are exclusively denominative no. 2.340.216 EJERCICIO PARA TODA LA VIDA (EXERCISE FOR LIFE), trade name no. 235.886 PROMOCIÓN Y PLANIFICACIÓN HOTELERA (HOTEL PROMOTION AND PLANNING), no. 2.214.737 A SER FELIZ TAMBIÉN SE APRENDE (YOU CAN ALSO LEARN TO BE HAPPY), no. 1.622.742 EL SEGURO DE MI TIENDA (MY SHOP'S INSURANCE) or international graphic no. 812.945 depicting a key). Also not accepted are signs which

consist of moving images, given their changeability (holograms and signs with similar properties). However, we should consider whether the sequences of said signs are acceptable.

2. Graphical representativeness

The requirement that it must be possible to represent a sign graphically ensures that the sign presented can be reproduced in accordance with the legal requirements outlined in Art. 12 of the Act and developed in Art. 2 of the Regulations, and helps to define what is being protected by the trademark. For this reason, certain types of trademark are not permitted, such as smell, taste and touch related marks, given the inherent difficulty in representing these graphically by currently available means.

When defining the meaning of "sign which can be represented graphically", we should take into account the ruling issued by the European Court of Justice in the *Sieckmann* case. The ruling stated that, to fulfil the requirement that it must be possible for the proposed sign to be represented graphically, for the purposes of the concept of a trademark, the sign must be represented in a way that is complete, accessible, intelligible, long-lasting and objective. This enables the SPTO to carry out its examination and registration duties with minimum guarantees, enables third parties to find out about new applications and trademarks which are already registered, and ensures that holders can obtain the basic functionality of the trademark and indicate a corporate origin for the life-span of the trademark, thereby guaranteeing legal certainty in these three areas.

One area in which doubts may arise relates to trademarks which consist exclusively of **colours**. Although it is not prohibited to register colours as trademarks, for the purpose of passing the examination of this prohibition, the colour must be sufficiently identified, for example, by being noted in an identification system, like Pantone. Once it has passed this stage, its distinctiveness, either inherent or acquired, must be

assessed along with the hypothetical public interest over whether or not it should remain freely available (for further details on this matter, see page 12 and subsequent pages).

Another problem presented by this requirement relates to acoustic trademarks. This type of trademark is accepted by Art. 4, with section 6 of Art. 2 of the regulation stating that the requirement for graphical representation can be fulfilled by means of a musical score. The use of another form of representation could lead to problems relating to its ambiguity and, consequently, it would not pass the test established in the *Sieckmann* ruling.

3. *Distinctive capacity*

The examination and assessment of whether a sign is suitably distinctive to become a trademark is subject to a specific prohibition in Point b) of Section 1, Article 5. (see said analysis).

4. *Ownership*

Although The Trademark Act states that a sign which is suitable to become a trademark has to be capable of distinguishing the goods and services “*of one company from those of others*” in the market, the inclusion of the term “*company*” does not exclude the ownership of trademarks by individuals or other types of legal entities, for example, public entities, which are usually not considered to be companies.

On the other hand, it should be taken into account that it is essential that the trademark is capable of differentiating specific goods and services from other types of goods or services, ideally in relation to other competitors, but also internally, in relation to different lines of goods or services belonging to the same owner. The trademark holder can opt to link together, to a greater or lesser extent, the different trademarks they possess, which cover their different services and/or goods, or they may

opt to keep them clearly differentiated for various commercial reasons (market segments, types of consumers, different qualities...) and so that the trademark can be freely transferred regardless of the company that originally held it.

➤ **Absolute prohibitions on registration in Art. 5.1.b) Lack of distinctive character**

“Art. 5.1. The following signs cannot be registered as trademarks: b) Those devoid of distinctive character.”

When we speak of lack of distinctive character in relation to trademark law, this refers both to the sign's failure to clearly distinguish the goods or services or its lack of distinctive capacity, and to its lack of singularity.

Both perspectives, from the point of view of practical examination, fall into the category of what are known as unregistrable trademarks. These trademarks cannot be registered as they do not serve to distinguish the goods and services to which they refer. The terms which form the basis of, or lead to this decision to reject the trademark, therefore become synonyms. We talk about the lack of: distinctive character, distinctive capacity or singularity.

In all these cases, the following articles are being implicitly linked: Article 5.1 b) with 5.1 a) and 4.1 of The Trademark Act (which highlights distinctive capacity in general as a basic quality of the sign being considered for trademark status) and with 5.1 c) (referring to the lack of capacity of certain signs to become trademarks by themselves because of their hypothetical descriptive nature in relation to the goods and services they cover).

It should be noted that, although the prohibition is applicable to all kinds of signs, it is particularly used in relation to certain types of signs, such as three-dimensional marks, marks consisting of a single colour or a combination of colours.

The specific criteria that can be deduced from case-law and doctrine are as follows:

1. It should be considered sufficient that the sign has minimum distinctive character. The specific application of this criterion is necessarily polemic and open to discussion in certain cases. The required level has to be the minimum that is necessary and essential for the trademark to operate normally in the market. Trademarks that are excessively simple or excessively complex would not be accepted.
2. It must be seen to have distinctive character in relation to the specific goods or services which are the object of the application. This way, the same sign may have distinctive character in relation to some products, but lack this requirement in relation to others. This aspect is highlighted by the ruling of the European Court of Justice in the Postkantoor case, matter C-363/99. To appreciate the distinctive character, the perception of the public for whom the product is intended must be taken into account. This public consists of the consumers of such goods or services. It should generally be based on the perception of the average consumer, who is deemed to be reasonably well informed and reasonably attentive and perceptive.
3. The distinctive character is not dependent on the originality of the sign or on its unusual or striking nature. Here we should remember, as has already been indicated, that it is not necessary for the trademark to constitute a creation.

On the other hand, if we examine the approach of the OHIM, it considers that trademarks which may be considered to be devoid of distinctive capacity include both those which can be considered as descriptive and those which are excessively simple or excessively complex. Likewise, trademarks consisting of customary representations of elements in which no capricious or special element has been incorporated would be considered unacceptable. In the case of trademarks consisting of a colour, these may be considered if the colour is not a primary colour (unless, it is considered to have acquired distinctiveness through use).

Here are some examples of cases dealt with by the SPTO in which the application has been rejected for this reason:

Denominative trademark “TRANSPERSONAL” for training, education and recreation services.

Graphical trademark no. 2.509.090, a “schematic drawing of dishes and hand” for class 3 products.

Denominative trademark no. 2.350.765 “EMBELLECE TUS PEINADOS” (MAKE YOUR HAIRSTYLES BEAUTIFUL) for class 28 products

Denominative trademark no. 2.310.025/6 “LA VIDA POR DELANTE” (THE LIFE AHEAD) for services in class 35 and 42.

As examples of Spanish case-law, we can cite the Supreme Court's confirmation of the lack of distinctive character of graphical trademarks no. 2.168.677/8 and 2.170.065/6, which depict schemes of possible glazed windows/doors (STS 22/1/2004) or confirmation of the rejection for the same reason of international three-dimensional trademarks which depict snacks, no. 552.363 and 4 (STS 10/10/2003), or the three-dimensional graphical trademark no. 2.009.386 for snacks (STS 6/7/2004). Similarly, confirmation of the rejection of trademarks no. 2.009.296/300 “PLUS FRESC” for various foodstuffs (STS 4/10/2006) and rejection of graphical trademark no. 2 464 080 for stationery products (STS 11/03/2009).

At a Community level, both the Court of First Instance and the European Court of Justice have passed certain rulings on cases from the OHIM. Examples of these include:

- T 19/99 “Companyline” for class 36 insurance and financial business. The Court considered these to be two generic words that only refer to a range of goods or services aimed at companies and it therefore lacks distinctive character. We should bear in mind that, in cases relating to Community trademarks, the trademarks must be assessed on their

perception by European Union consumers and in the official languages of the Union.

- T 360/99 “Investorworld” for insurance and financial business is also considered to lack distinctive character.
- T32/00 “Electrónica” for Class 16: Catalogues for fairs specialising in electronic components and modules; goods aimed preferably at professional consumers. Class 35: Organisation of fairs specialising in electronic components and modules; services aimed preferably at professional consumers. Class 41: Organisation of conferences specialising in electronic components and modules; publication of catalogues for fairs specialising in electronic components and modules; all these services aimed preferably at professional consumers.

The Court of First Instance felt that the sign lacked distinctive character for the goods and services it covered and it is also a description, at least in Spanish, of an essential characteristic of the goods or services.

- C 15/06 Three-dimensional trademark in the shape of a bag-bottle for class 32.
- C 380/02 Trademark “EL PRINCIPIO DE LA COMODIDAD” (THE PRINCIPLE OF CONVENIENCE) for different goods such as tools, car parts and furniture, classes 8, 12 and 20.

○ **Colour and lack of distinctive character**

Traditionally, trademarks consisting of a single colour were rejected. In principle, this is to prevent unfair competitive advantage. Given that there are only 7 basic colours in the rainbow: the small number of colours means that if a company were to register a basic or pure colour, they would have an unfair competitive advantage which would catch out their competitors and could block free access to the market. The prohibition must also extend to trademarks consisting of only one tone or shade of a basic colour. Because the number of tones is not strictly limited, the argument concerning the obstructive and anticompetitive effect which the award may have is somewhat weakened. However, registering a single tone of a colour would cause practically

unresolvable problems and difficulties since it would most likely lack the basic requirement of distinctive capacity. A combination of colours would be registrable as these are not limited (see registrations of international trademarks nos. 715.088/093/094/260 and 271).

Under current legislation, it is not expressly forbidden to register a colour *per se*, so what has to be determined is whether it meets the distinctive character requirement. In order to assess distinctiveness, it is useful to refer to the criteria established under Community case-law in the *Libertel* (case C-104/01) ruling, which in turn refers to the *Sieckmann ruling* (already described in the discussion of the concept of graphical representation of the trademark in the section on Art. 5.1.a)).

In the *Libertel* case (matter C-104/01), the European Court of Justice had to decide whether *Libertel* could register a mark consisting of the colour orange for different goods in class 9 and services included in classes 35 to 38. Here the court had to determine whether a colour *per se*, without any shape or form, constituted a sign that could be graphically represented. After repeating the criteria used in the *Sieckmann* case, it was pointed out that a sample of the colour on a flat surface could change over time and paper does not protect tones from deteriorating over time. A sample was considered insufficient to meet the requirement.

With regard to a verbal description of a colour, this may be sufficient as long as it meets all the requirements, that it is clear, precise, complete in itself, easily accessible, intelligible and objective. The use of an internationally recognised code was considered precise and stable and therefore sufficient to meet the requirement of graphical representation (for example the Pantone Code).

Later, the Court of Justice indicated that a colour *per se* may be suitable for distinguishing the goods or services of one company from those of others. They also highlighted the need to keep colours available for competitors, since the greater the number of goods or services being requested, the greater the possibility that the exclusive right conferred would become exorbitant and, therefore, contrary to the general interest.

In practice it seems clear that, given the criteria of the Court of Justice, there will be few cases in which a sign consisting of a colour *per se* would constitute a valid trademark (unless it is hypothetically proven to have acquired distinctiveness through use. A classic example of this is the case in which the colour violet was registered as a trademark by the OHIM for a well-known brand of chocolate when it was positively assessed to have acquired distinctiveness prior to the registration).

The Supreme Court has accepted that a colour may be registered when it is proven that it has acquired distinctiveness (PROZAC case - STS 27.03.2006, following Libertel ruling) (proposed Dep. Signs).

With regard to combinations of colours, the European Court of Justice indicated the following in the Heidelberger Bauchemie case, matter C-49/02, with regard to registering the colours blue and yellow as a trademark for various construction products:

Firstly, in relation to the requirement of graphical representation: Colours or combinations of colours presented in a registration application in an abstract and shapeless form, whose tones are given by means of reference to a sample of the colour and are specified in accordance with a recognised colour classification system, may constitute a trademark, insofar as:

-It is determined that, in the context in which they are used, such colours or combinations of colours effectively present a sign, and insofar as

-The registration application includes a systematic stipulation that links the colours referred to in a way that is predetermined and permanent

Secondly, with regard to distinctive character, the Court points out: Even when a combination of colours meets the requirements for becoming a trademark, the Office must also examine whether the combination in question meets all other requirements, in particular, that of distinctive character, in order for it to be registered as a trademark for the goods or services of the company filing the registration application.

Said examination must take into account the pertinent circumstances of the case, including, where applicable, the use that has been made of the sign for

which trademark registration is requested. This kind of examination must also take into account general interests, ensuring that it will not unduly restrict the availability of the colours for other operators that offer the same kind of goods or services as those for which the registration is requested.

➤ **Absolute prohibitions on registration in Art. 5.1.c)**

“The following signs cannot be registered as trademarks:

c) Those which consist exclusively of signs or indications that in business may serve to designate the kind, quality, quantity, intended purpose, value, geographical origin, or time of production of the goods or rendering of the service, or other characteristics of the goods or service”.

These are signs that inform the consuming public of the characteristics, qualities and properties of the corresponding goods or service. The purpose of the prohibition is to prevent an entity or individual from having exclusive rights of use or a monopoly over a denomination or descriptive graphic which would prevent other competitors from using it for similar goods or services. This refers to denominations or graphics needed in mercantile operations that must be available to all competitors within the sector in question. It is also based on the consumers' assumption that these terms provide information on the goods or service in an unconnected and abstract way, as opposed to their specific and distinct origin in a certain company.

The list of qualities set out in the article is open-ended, which means that it is possible that the descriptiveness of the sign to be protected as a trademark refers to other characteristics that are different to the examples expressly stated in the article. We should remember that the law stipulates that this prohibition must be applied when trademarks consist of indications or signs that are "exclusively" descriptive. This is why the interpretation has to be restrictive and must take into account the fact that a minimum degree of distinctiveness can be acquired through a configuration which gives the trademark a certain evocative or suggestive character, as long as this is sufficiently far removed from being

exclusively descriptive of one of the qualities of the goods or services in question.

Likewise, we should remember that the assessment of the descriptive character of the requested trademark must be specific, that is, it must make a connection between the sign requested and the goods and/or services it will cover.

The following are some examples of such cases:

- **Descriptive signs**

The kind of goods or service: in the case of generic trademarks, when the sign consists of a reference to the kind of goods or service (Mixed trademark no. 2 317 180 “FINCAS y FINANZAS” (ESTATES AND FINANCES) for financial and real estate services, denominative mark no. 2.333.762 “INICIATIVAS DE MERCADOS INTERACTIVOS” (INTERACTIVE MARKET INITIATIVES) for telecommunications services, denominative mark no. 2 310 805 “CIUDAD DEL OCIO” (CITY OF LEISURE) for leisure and recreational services, trademark no. 1.622.742 “EL SEGURO DE MI TIENDA” (MY SHOP'S INSURANCE) for insurance services. All refused registration).

The quality of the goods or service: the quality is considered to be the property or group of properties inherent in a thing which enables it to be appraised as equal to, or better or worse than others of its kind (denominative marks no.1.695.233 “EXTRA” for distribution services, no. 1.599.951 “SUPERIOR” for clothes, no. 2.090.466 “SUPERIOR” for beers, no. 2.734.963 “DE LUJO” (LUXURY) for classes 38 and 41, mark no. 2.301.029 “NAVEGANDO SOMOS LOS MAS RÁPIDOS” (WE ARE THE FASTEST AT BROWSING) for internet advertising services, mark no. 1.627.427 “PESCA FRESCA” (FRESH FISH). All refused registration. By contrast, trademark no. 2.302.627 “IDONEA” (IDEAL) for "combustible compounds, especially gas" was awarded).

The quantity of the goods or service: these are signs that consist of customary terms that indicate weight, quantity, size, number or volume (trademark no. 2.269.944 “MUCHO MUEBLE” (LOTS OF FURNITURE) for furniture, trademark no. 1.907.227 “GRANDE” (LARGE) for fruit, trademark no. 1.907.227 “MINI TIENDA” (MINI SHOP) for class 37 products. All refused registration). Terms that allude to quantity which are no longer used in trade, and the descriptive meaning of which has been erased from consumer's memories, are not considered descriptive.

The intended purpose of the goods or service: this refers to signs that consist of indications relating to the function of the product, or the way or time in which goods should be used or consumed (Trademark no. 2.350.756 “EMBELLECE TUS PEINADOS” (MAKE YOUR HAIRSTYLES BEAUTIFUL) for toys, refused registration, trademark no. 2.214.737 “A SER FELIZ TAMBIÉN SE APRENDE” (YOU CAN ALSO LEARN TO BE HAPPY) for the services of a psychologist's office, refused registration.)

The value of the goods or service: these are trademarks that allude to the value of the goods they distinguish (authentic, original, economical, expensive or cheap) or to monetary units (euro, peseta, etc.) (trademark nº 2.567.121 “EL AUTÉNTICO” (AUTHENTIC) for saffron and condiments, trademark no. 2.279.240 “LA TIENDA DEL EURO” (THE EURO SHOP) for a distribution and storage business)

Period in which the goods can be obtained or in which the service is provided:

E.g.: 1985 vintage, for wines; 24 hour banking, for financial services; fresh every day, for vegetables.

Signs which may serve to indicate other characteristics of the goods or service: an open clause, the purpose of which is to cover all descriptive trademarks which are not included in the previous categories.

E.g.: mixed trademark no. 2.116.728 “DORADA” (GOLDEN), for biscuits; trademark no.2.268.158 “GANAR EN LA RED” (WIN ON THE INTERNET) for online gambling services.

- **Suggestive or evocative signs**

These are signs which, rather than directly referring to the qualities of the goods or service, simply suggest or evoke these qualities. So, whereas the descriptive trademark directly provides information on the characteristics of the goods or service, the suggestive trademark does so indirectly, requiring the consumer to use their intellect or imagination, while the descriptive name communicates the corresponding information directly to the average consumer. If the effort the consumer has to make is minimal or non-existent, the sign is descriptive; if, however, the sign alludes indirectly to the characteristics of the goods or service, then it is suggestive (Supreme Court Ruling of 22 December 1975 trademark “DON KILOWATIO” (MR KILOWATT) for electrical appliances, Supreme Court Ruling of 23 December 1987 “DON ALGODÓN” (MR COTTON), for items of clothing).

It normally refers to trademarks which alter generic or descriptive terms by using parts of them to create arbitrary terms, the use of metaphors or terms which refer to qualities found in one kind of product to refer to others which have nothing to do with the first kind, evoking, but not describing, said qualities.

E.g.: BABY DRY for nappies (ECJ Ruling 20-IX-2001, As.C-383/99P, BABY DRY Case), MANZANILLA SUEÑOS DE ORO (GOLDEN DREAMS CAMOMILE) for infusions, ICARO for air modelling, BABY PARK for childcare services

- **Descriptive names in foreign languages and Spanish languages other than Castilian**

-Foreign terms: As a general rule, foreign terms are not descriptive unless, due to their concision, mass use or lack of precise equivalent in our language, they

have become generalised or have come into everyday use in national languages, meaning that they can be easily recognised and identified by a large sector of the population or consumers as indicative of the nature, characteristics or purpose of the goods and services they distinguish (see Supreme Court Rulings 2-12-1989, 28-1-1997 and 26-2-2004).

E.g.: “GOLDCARD”, for class 16 products, “STYLINER” for eye liners (cl. 3), “E-LANGUAGES”, for education services. All awarded.

Trademarks composed of words with a clear Latin etymology, particularly words in French and Italian, which can be understood by the Spanish public with a precise meaning, cannot be considered as fanciful words (Supreme Court rulings 2-12-1989 and 2-4-2004 on the trademark “PETIT SUISSE”. Refusal to register trademark no. 2.356.618 ABSOLUTELY FABULOUS for cosmetics) .

-Descriptive terms in official Spanish languages other than Castilian: the prohibition in article 5.1.c) of the Trademark Act applies not only to denominations in Castilian, but also to any of the official languages of the Autonomous Regions. If the term is descriptive in one of these languages it will be refused registration.

- **Publications**

In relation to publications, it is customary for headings to be composed of elements that describe their content, so in these cases the trademark rights are awarded to the group of elements, as claimed and described, and not to the terms which form them considered separately.

Examples: “EL NORTE DE CASTILLA” (The North of Castile) “LA VERDAD DE MURCIA” (The truth about Murcia), “CASA&JARDIN” (House and Garden).

- **Compound words**

In the case of compound words, when the components exist in our language, either because they have been accepted into the dictionary or they have become commonly used, the linear meaning of their elements takes precedence and the joining of said elements does not detract from their descriptive character.

E.g.: "HOTELEASING" (denominative) for International Nomenclature class 36 services is unequivocally descriptive.

This does not prevent an examination from taking place, taking into account the possibility that the arrangement of the descriptive or generic elements may pass the minimum level of distinctiveness required in application of Art.5.3.

- **Indications of geographical origin**

With regard to indications of geographical origin, we should mention that registering the name of a municipality or another Spanish territorial entity as a trademark is not prohibited *per se*. From time to time, these can be used exclusively as an indication of origin. This is the case if the trademark is used to distinguish goods or services that are characteristic of the specific geographical area which the applicant wishes to register as a trademark, because only under these circumstances could it be considered by the consuming public to be an indication of geographic origin. Otherwise, the name will only be perceived by the average consumer to be an arbitrary or fanciful name (for example, the use and registration of the names of cities for models of cars). Adjectives referring to locations of origin are treated in the same way. (e.g. Central Cordobesa de Crédito, Supreme Court Ruling - Court 3, 6 December 1975 (RJ 1975,4850).

Specific Designations, which at a European level are identified as Protected Geographical Indications (P.G.I.) are regulated at a Community level by European Council Regulation 510/2006 of 20 March 2006, on the protection of

geographical indications and denominations of origin of agricultural products and foodstuffs, apply to products which, in addition to being of excellent quality, must be linked to the geographical region that gives them their name in at least one of the stages of their production or transformation. At a national level, specific designations are regulated by Royal Decree 1573/1985 of 1 August, among other regulations.

The Denominations of Origin (D.O.), which at a Community level are also regulated by European Council Regulation 510/2006 of 20 March 2006, relating to the protection of geographical indications and denominations of origin of agricultural products and foodstuffs, are applied to products for which everything from the origin of the raw materials through to the production of the end product, including the production, processing and elaboration, must be carried out in the specific geographical area, with specific knowledge that is both recognised and verified. At a national level, the denominations of origin are regulated by Royal Decrees 728/1988 of 8 July, 1254/1990 of 11 October, 1396/1993 of 4 August and the Order of 25 January 1994, among others.

When examining the registrability of a trademark that may come into conflict with a protected Community D.O. or P.G.I., Articles 13 and 14 of the aforementioned Regulation 510/2006 have to be taken into account.

In accordance with the aforementioned Article 14, D.O.s or P.G.I.s registered at a Community level prevent the registration of their denominations as trademarks in any member state when these refer to the same class of product or when they are requested after the date that the Community D.O.s and P.G.I.s were requested. EU registered D.O.s or P.G.I.s cannot become generic designations (Art. 13.2).

In order to find out which D.O.s or P.G.I.s are registered at a Community level, you can consult the database available at the European Commission's Directorate-General for Agriculture via the following link:

<http://ec.europa.eu/agriculture/quality/door/list.html>

Exception applicable to guarantee or collective trademarks: In accordance with Article 62.3 and 68.3 of the Trademark Act, trademarks that describe the geographical origin can be registered if they are collective or guarantee trademarks (Art. 62.3 of the Trademark Act and Art. 15 of the Trademark Directive) (Guarantee trademarks no. 1.931.933 GALICIA CALIDADE, no. 2.314.256/7 L'ALTA RIBAGORÇA, no. 2.257.967 DE LA VAL D'ARAN). Likewise, individual trademarks that consist exclusively of designations of origin or protected geographical indications can be awarded when they are requested by the respective Regulatory Board or the corresponding control authority (trademarks no. 1.927.658 "RIOJA", nº 2.667.597 "JAMON DE TREVÉLEZ") .

➤ **Absolute prohibitions on registration in Art. 5.1.d)**

Article 5.1 d) of the Trademark Act 17/ 2001 states that signs which *"consist exclusively of signs or indications that have become customary designations for goods or services in the current language or in the bona fide and established practices of the trade, cannot be registered as trademarks"*.

The Act therefore tries to prevent the monopoly use by one person of a term that should be inappropriable given its general use in relation to certain goods or services. At the same time it tries to ensure that the trademark fulfils its role of "distinguishing the goods and services of one company from others in the market" (Art. 4 Trademark Act).

When interpreting this rule, reference should be made to Article 3.1 d) of the trademark directive 89/104/EEC which, with similar content, prohibits the registration of customary signs, but does not mention "the goods and services" as the Spanish law does, seemingly separating the customary terms from certain specific goods referred to using those terms.

Community case-law resolved the case "MERZ & KRELL" (Ruling of 4 October 2001) saying that the "directive must be interpreted in such a way so that the

registration of a trademark can only be opposed when the signs or indications that constitute its only components have become commonly used in the current language or in the *bona fide* and established practices of the trade as a means of referring to the goods or services for which the trademark registration is requested”.

- **Signs that have become customary**

Signs that have become customary in current language or trade practices lack distinctive capacity when used in relation to specific goods or services, or when they evoke these or lead the consumer to recall said goods or services. This position is stated in Spanish case-law (Supreme Court ruling 10/05/1995, “masters” case).

It should also be taken into account that the judgement on the habitual or customary nature of the sign under examination has to be made in relation to the date it is filed as a trademark application.

Reference can be made to rulings and doctrinal opinions which, in the prohibition of Article 5.1 d), include terms such as “súper”, “plus” or “extra”, which do not allude to a specific product and have lost their distinctive capacity in general for all types of goods and services. However, this has not been the position followed by the SPTO.

Therefore, customary signs are considered to be those whose use has become generalised in current language or in the corresponding market sector to refer to a specific product or service, such as “broker” in the field of financial intermediation or “botellin” or “litrona” for beer containers of a specific size.

We should mention that the requirement in the Act to establish whether the sign is subject to the prohibition being studied only applies when it consists “*exclusively*” of customary signs. The fact that the law states it precisely, and the restrictive interpretation that prevails in prohibitions, excludes from prohibition signs that contain customary terms which are accompanied by other

denominative and/or graphical elements which give the sign its own distinctive character. By contrast, and this has to be assessed on a case by case basis, it is forbidden to register customary signs to which any banal element has been added that does not provide it with the distinctiveness required to fulfil the role of the trademarks mentioned above.

With regard to the languages in which signs that may be considered customary are written, we should point out that, although the term may be foreign, if it is known by the general consuming public it may fall under this prohibition. For example “Light” or “Gourmet”. On the other hand, a term that is only customary in some of the co-official languages in Spain may be prohibited from being registered given the national character of trademarks and their register.

At a Community level, the OHIM, on the basis of a similar prohibition that applies to Community trademarks and, taking into account the different official languages, has refused to register trademarks such as “XTRA” for detergents, “LITE”, “HYPERLITE”, “ULTIMATE” (the most recent) for electronic products, “STUDIO OFFICE” for administrative and consultancy services, and “SEARCH SERVER” for IT goods and services.

On the other hand, we should not forget that the customary or habitual character affects not only denominative trademarks, but can also affect graphical trademarks, particularly certain three-dimensional trademarks that depict customary ways of presenting a product or its packaging and, in some cases, colours normally associated with certain types of goods or services.

➤ **Absolute prohibitions on registration in Art. 5.1.e)**

○ **Prohibition of three-dimensional forms**

Article 5.1 of the Trademark Act states that *“the following signs shall not be registered as trademarks: e) “those which consist exclusively of the shape which results from the nature of the goods themselves or the shape of goods*

which is necessary to obtain a technical result or the shape which gives substantial value to the goods”

In turn, Article 4.2 d) of the Trademark Act includes in the list of signs which may be registered as trademarks: *“Three-dimensional shapes including wrappers, packaging, product shapes, or the form in which it is presented”*

Three-dimensional trademarks can be registered. But not all shapes can be registered as trademarks, otherwise we would remove from the public domain and from competition the necessary, generic or usual shapes of products.

As a general criterion, an assessment must be made on whether the trademark has distinctive character, taking into account whether or not the average consumer of the goods or services is used to perceiving the shape as a trademark, and to what extent the proposed shape has a specific distinctiveness that enables it to be distinguished from its competitors (which would be acceptable) or if it lacks distinctive character or if one of the three scenarios listed in the heading is applicable. All in all, the examination need be no stricter than the examination carried out for the rest of the absolute prohibitions (European Court of Justice ruling on the Linde case, matter C-53/01, when interpreting the prohibition included in the First Trademark Directive for registering trademarks consisting of the shape of the product).

We should also bear in mind the criteria established by Community case-law for prohibiting the registration of shapes in relation to Community trademarks, which is very similar to Spanish legislation. Specifically, ruling T-88/00, the Mag case, from the Court of First Instance on trademarks in the shape of torches. This ruling stated that, in order to be accepted, it was important that the requested trademark had a minimum level of distinctiveness in relation to the usual presentation of the type of goods covered, to which the average consumer of such goods is accustomed.

The following are examples of refusals adopted by the SPTO:

- International trademark no.552.363 and 4, graphics depicting the shapes of snacks for said goods (STS 10-10-2003).
- National trademark nos. 1.934.492 and 7, three-dimensional graphics depicting the snack (rejected by the Supreme Court in rulings 14-7-2004 and 26-6-2006).
- Trademark nos. 2.610.266 and 7 three-dimensional graphics in the customary shapes of yoghurt pots depicting their usual content (Rejections confirmed by Supreme Court Rulings).
- International trademark no. 742.249, a three-dimensional mark in the shape of a food container in colour, for goods in classes 5, 29 and 30 (Refusal confirmed by the Supreme Court in ruling 20/12/2007).

The criteria for prohibition established in article 5.1 e) are as follows:

- **Shapes that result from the nature of the product**

Generally, these are shapes that are necessary, and therefore generic, which affect either the goods themselves or the way they are normally presented, which are therefore customary. A translucent container in the shape, or with the configuration usually used for sparkling wines which has no engravings, stamps or, as a result of any other procedure, features which characterise it and distinguish it, cannot be registered as a trademark aimed at distinguishing these sparkling wines. In order to be refused registration, the trademark must consist exclusively of that shape since, if it is characterised by other elements, the group of elements can be registered (for example, colours, designations, engravings) and this would not prevent other trademarks with the same shape but with a different denominative graphic element from being registered.

The following are examples of trademarks that have been refused registration on the basis of this prohibition:

- Trademark no.2.123.078 graphic depicting different view of glasses, for glasses.
- Trademark no.2.391.113 graphic depicting the different parts of the garments of a uniform, for uniforms.

- **The shape of a product required to obtain a technical result**

The prohibition to register shapes as trademarks that are necessary for technical reasons is due to the nature of the distinctive sign itself; an exclusive right that, unlike technical creations (patents, utility models), can last for an indefinite period of time through successive renewals of the trademark. This was demonstrated by the Attorney General in the most important case to go before the Court of Justice, relating to the validity of the registration of a trademark in the shape of a shaving device, PHILIPSHAVE FROM PHILIPS, consisting of three rotating heads arranged in triangles (As c-299/99).

“The exclusion of shapes that fulfil a technical role, is not based on the fact that said trademarks are not suitable for distinguishing the goods and services, but that the purpose of the absolute prohibition in this case is to prevent individuals from using the registration of a trademark to prolong their exclusive rights over technical creations. Therefore, they do not develop secondary meaning and it is irrelevant that they have acquired distinctiveness in the market. The Attorney General reached the conclusion that it is only possible to register functional shapes to which some arbitrary characteristic has been added, which is not aimed at obtaining the technical result”

The trademark may consist of a container or the shape of a product and it is therefore possible that this is a shape which is distinctive but necessary to obtain a technical result. Such improvements or advantages do not have to be decisive or essential for the use, functioning or manufacture of the product. It is enough that the shape in question incorporates a technical improvement, even if this is reduced to an accessory type refinement. This would be the case if it helped to make the product or the container more long-lasting or more hard wearing, or made it cheaper to manufacture the container in the shape for which

the trademark registration is requested (for example, an egg box, or a tyre tread that identifies the tyres of a make of cars, but whose design provides certain technical advantages, for example, breaking on wet asphalt).

In the Philips case, the Court of Justice went even further and considered whether the fact that there were alternative shapes meant that the shape was eligible to be registered as a trademark. Philips claimed that, although the requested trademark undoubtedly had a technical effect, it was a shape conditioned by the shape of the face to be shaved and it was not the only possible way of obtaining the technical result. The Court indicated that the prohibition “...excluded the registration of a sign consisting of said shape, even though the technical result in question could be obtained using other shapes”.

The following are examples of decisions issued by the OHIM:



- Trademark  in which the shape is considered to be due to the character of the packaging and the shape of the lid is considered to represent a utility function in class 33 products.
- Three-dimensional trademark no. 812.149 depicting a corkscrew to cover the product.
- Three-dimensional trademark no.3 615.804, a drawing depicting the customary shape of a plunger to cover plungers and similar products.

- **Shapes that give substantial value to a product**

The purpose of this absolute prohibition is to ensure the trademark does not become a generalised alternative to industrial design, intellectual property and

the regulations on unfair competition, in relation to ornamental or aesthetic shapes that make the product more attractive and easier to sell.

These are the cases in which the value of the goods is, to a large extent, determined by the shape which the applicant wishes to register as a trademark. In this case, the shape does not operate so much as a distinctive feature but rather as an essential quality of the product itself, the value of which and its success with consumers is determined by the aesthetic or functional values of its shape.

There are two reasons for this prohibition: on the one hand, the public does not perceive the shape as a trademark but rather as a characteristic or property of the product which has an indirect impact on the value of the product and, therefore, the sign does not fulfil the role of indicating the company that produces the products. On the other hand, as in the previous cases, the protection awarded to these aesthetic shapes or functional aesthetics through intellectual property or industrial design rights is for a limited period of time. And its appropriation as a trademark could be prolonged indefinitely through successive renewals.

The following are examples of refusals issued by the OHIM:

- Trademark  for toys, as it is considered to be a specific design of the product, not the trademark.

- Trademark  for glasses as it is considered to be a specific design of a part of the product, not the trademark.

- Trademark depicting a field with dark, irregular shapes  for "polystyrene foam or products made from this" as it is considered to be just one possible appearance of the products

➤ **Absolute prohibitions on registration in Art. 5.1.f)**

Article 5.1 f) of The Trademark Act states that the following signs cannot be registered as trademarks: *“those which are contrary to law, public policy or accepted principles of morality”*.

Analysis of these prohibitions will not only be the object of the official examination by virtue of Article 20, but also, prior to publication of the application, it is examined pursuant to Article 18.1. This examination is to prevent publication in the Official Bulletin of an application whose content goes against the basic principles of the legal code (case of trademark no. 2.380.463 “EUSKAL NORTASUN AGIRIA” which can be translated as "Basque identity document" for an identity document, refused registration and refusal confirmed by Supreme Court Ruling 11/7/2008).

To assess whether a sign contravenes these prohibitions, the following factors are considered:

- The actual denominative or graphical structure of the sign: absolute prohibition to register a trademark "which includes a sign with a highly symbolic value, in particular, a religious sign". Denominations or images that are inappropriate for use as a trademark: drugs, an affront to dignity.
- The nature of the goods or services to which a trademark is to be applied, in relation to signs with religious value;
- The average sensitivity of the consumer for whom the corresponding goods or services are intended..

- **Signs that are contrary to law**

Signs which are contrary to law are signs whose registration is prohibited by special provisions with the force of law.

So, for example, Spanish sports legislation grants the Spanish Olympic Committee the exclusive right to use the emblems and designations of the Olympic Games and Olympiads. Another case would be international conventions or agreements that are also laws within the Spanish legal system, for example, the Geneva Convention of 12 August 1949 prohibits the use of the Red Cross emblem.

Examples of trademarks refused registration at the SPTO:

- Trademark no. 2.380.463 “EUSKAL NORTASUN AGIRIA”.
- Trademark no.2.707.976 “LAS OLIMPIADAS DE LAS EMPRESAS” (Company Olympiads) for sports activity services, among others.

- **Signs that are contrary to public policy**

Signs which are contrary to public policy are those that directly or indirectly attack the social, political or legal principles which inform our society and culture. When deciding whether a sign may be contrary to public policy, one must also take into account what the goods and services are intended for and the group of consumers affected by them.

So for example, it would not be possible to register the emblem or the acronyms of illegal organisations (e.g. HERRI BATASUNA), those consisting of xenophobic, racist, sexist or anti-democratic signs, or signs which are in any way an affront to the principles of established constitutional practice.

Examples of trademarks refused registration at the SPTO:

- Trademark no.2.780.662 “23 F” for class 16 goods and class 41 services.

- Trademark no. 2.646.823 “SECRETO DE SEPARADAS VICIOSAS” for class 29 products.
- **Signs that are contrary to accepted principles of morality**

Signs which are contrary to accepted principles of morality are those that go against accepted moral principles in terms of the standards of moral conduct demanded of decent people (a concept which is very difficult to specify since it depends on a criterion that is based on certain values being socially prevalent and on the extent of social permissiveness).

Examples of decisions made by the SPTO:

- Trademark no. 2.646.818 “CROQUETAS DE PEZONES” (Nipple croquettes) for class 30 products.
- Trademark no. 2.754.047 “DE PUTA MADRE” (Whore mother), for class 25 products.

With regard to Community practice, the OHIM has refused to register trademarks on the basis of a similar prohibition:

- Trademark “BIN LADEN”, in Arabic and Roman characters, for different goods of various classes.
- Trademark “SCREW YOU” refused registration for different goods which do not belong to the category of products sold in shops selling erotic goods.
- Trademark “SUDACA” (derogatory term for South American person) for alcoholic drinks.
- Trademark “COJONES” (BALLS) for clothes, accessories and toys.

➤ **The absolute prohibition of registration in Art. 5.1 g)**

“The following signs may not be registered as trademarks:

g) those that could mislead the public, for example, regarding the nature, quality or geographical origin of the product or service”.

This prohibition of registration must be based on objective data resulting from the sign itself, in so far as the deception is directly derived from the trademark associated with a series of products or services.

A misleading sign is one that deceives consumers as regards the nature, quality, geographic origin, etc., of the products or services it seeks to distinguish, in so far as there is divergence between what the trademark indicates or suggests and the characteristics of the products or services to which it seeks to be applied; additionally, the trademark must generate expectations regarding the product or service that could influence demand for it and which do not correspond to the reality.

The cases of possible error referred to in Art. 5.1 g), Law 17/01 are given merely for guidance purposes, the most frequent being:

- **Trademarks that are misleading with regard to the nature, quality or characteristics of the product or service.**
 - Trademark no. 2.535.509 “MAS CAFÉ” for “coffee, tea, cocoa, sugar, coffee substitutes, ...” since it could be applied to products that do not contain coffee.
 - Trademark no. 2.690.210 “GARNACHA DE ATECA” for different alcoholic drinks, as it could be applied to products that do not contain grapes of the Grenache variety.

- Trademark no. 2.353.075 “HERMANOS FERNANDEZ”, with an illustration of a pig, for “meat and by-products” as it could be applied to products other than pork.
 - Trademark no. 2.513.345 “V GARANTIA VITAMINAS” for class 29, 30 and 31 products, as it gives the impression of special qualities that do not exist.
- **Trademarks that are misleading with regard to geographical origin**, that is, those that give false indications of origin, which may consist of the mention of a specific geographical area, the use of a well-known monument, the use of a foreign surname, or any other sign that indicates geographical origin.
- Trademark no. 2.558.649 “TEKA DE KENIA”, for class 20 products, as it could be applied to furniture that is not made out of Kenyan teak.
 - Trademark no. 2.758.542 “GOFIO GOMERO” for “flours from the Canary Islands” as the scope of application is wider than would be implied by the indication.
 - Trademark no. 2.771.561 “ALMADRABA NUEVA UMBRÍA” for “fishing” and “fish sale services” without these being limited to the place of origin included in the trademark.
- **Trademarks that are misleading with regard to the existence of an official association**, that is, of a possible endorsement by an official institution that could lead consumers to consider that there is an official link with some kind of representative or administrative body.
- Trademark no. 2.659.068 “RED VALENCIANA DE SALUD MENTAL” for medical services on behalf of a specific company, when mental health services are the responsibility of the regional authorities.

It should be noted that there are trademarks that include geographic elements that are considered fanciful, as they have nothing to do with the product or service to which they refer (e.g. PHILADELPHIA, to distinguish “cheeses”)

➤ **The absolute prohibition of registration in Art. 5.1 h): additional protection for wines and spirits**

“The following signs may not be registered as trademarks:

h) those applied to identify wines and spirits that contain or consist of indications of geographical origin that identify wines or spirits that do not have said origin, even when the true origin of the product is indicated or the geographic indication is translated or accompanied by expressions such as “class”, “type”, “style”, “imitation” or other similar expressions”.

This precept is a new feature that appears in Law 17/01 on trademarks (Spanish Trademarks Act), and it constitutes additional protection for wines and spirits, as a result of the obligations derived from TRIPS (Trade Related Intellectual Property Rights).

Additionally, when planning to examine a trademark that could conflict with a protected wine-growing Denomination of Origin (DO) or Protected Geographical Indication (PGI) to establish whether it can be registered, it is necessary to take into account Articles 43, 44 and 45, EC Council Regulation No. 479/2008 of 29 April 2008, which establishes the common organisation of the wine making market, and which amends EC Regulations Nos. 1493/1999, 1782/2003, 1290/2005 and 3/2008, and abolishes EEC Regulation No. 2392/86 EC Regulation 1493/1999 (proposal of the Signs Department).

Pursuant to the aforementioned Article 44, the DOs and PGIs for wine products registered at Community level cannot register their designations as trademarks in any member state, when they are requested after the date of application for the Community DOs or PGIs that are ultimately registered, and whenever they refer to trademarks comprised of the registered designation or delocalisation expressions of the type included under Article 5.1.h, or if they have true or false references to different characteristics of the wine for which the trademark is requested (Art. 45.2) that encompass any of the types of wines, musts or vinegar in Appendix 4 of said Regulation.

For information on wine DOs and PGIs registered at Community level, see the database of the Directorate of Agriculture of the European Commission at the following address:

<http://ec.europa.eu/agriculture/quality/door/list.html>

The purpose of this is to protect wines and spirits from false indications of origin, that is, to prevent signs that consist of indications of geographical origin when the products to which they are applied do not have said origin, either because the trademark is misleading (RUEDA) or because, even though not misleading, it includes delocalising elements (RUEDA TYPE), or because it indicates the true origin of the product (RUEDA PRODUCED IN SANLUCAR DE BARRAMEDA).

Application of this precept protects all the geographical indications of origin of wines and spirits, both national and international, including not only the Denominations of Origin, but also other levels of protection, such as those granted by the designations of *Vinos de Calidad* (Quality Wines), *Vinos de Pago* (Estate Wines), Collective Trademarks, etc., provided they are recognised geographical indications. In this way, only individuals or entities that meet the legal requirements in question (certificates, licences, registration in certain registers, etc.) may request the geographical indications in question as part of a trademark as,

otherwise, this would contravene Art. 5.1 h) of the Trademark Act, either for reasons of deception or of taking advantage of the reputation of others.

Registration of a geographical indication of origin therefore requires:

- 1- That it is recognised as a geographical indication of origin under any of the protective instruments provided by the geographical indication of origin legislation.
- 2- That it is included within a wider trademark framework (because designation on its own is not possible).
- 3- That, in case of a Denomination of Origin, the applicant is the Regulatory Board or is authorised by the Regulatory Board and, as appropriate, that it delimits products within those produced in the zone or, in the case of different level of protection, it meets the established legal requirements.

Finally, it should be noted that when seeking to register an indication of origin not subject to any level of protection, the prohibition for geographic origin description established in Art. 5.1.c) or prohibition due to the misleading nature in Art. 5.1.g) of Law 17/01 shall apply, and not Art. 5.1 h).

Examples of trademarks refused by the SPTO:

- Trademark no. 2.809.439 “DOS RUEDAS” for wines, due to the lack of authorisation from the Rueda DO Regulatory Board.
- Trademark no. 2.733.733 “CLOS DEL SILENCI NEGRE SELECCIO PENEDES DENOMINACIO D'ORIGEN” for wines, due to the lack of authorisation from the Penedés DO Regulatory Board.

- Trademark no. 2.733.635 “COVIJEREZ” for wines, due to the lack of authorisation from the Jerez DO Regulatory Board.

Examples of trademarks refused by the OHIM:

- “CUVEE PALOMAR” trademark for wines, as it does not give proof of any association with the “vino de la tierra” “PALOMAR” protection, within the scope of the Valencia DO.
- “CARLOS SERRES” trademark for alcoholic beverages, as it does not give proof of any association with the “SERRES” DO for Greek wines.
- “CASABLANCA” trademark for wines, as Casablanca is a Chilean DO protected by the EU-Chile Agreement.

➤ **The absolute prohibition of registration in Art. 5.1.i, j, k): trademarks that consist of or contain official signs**

“i) Those that reproduce or imitate the coat of arms, flag, decorations and other emblems of Spain, its Autonomous Regions, municipalities, provinces or other local entities, unless the appropriate authorisation has been obtained.

j) Those that have not been authorised by the responsible authorities and have to be refused under Article 6 ter, Paris Union Convention (PUC).

k) Those that include insignias, emblems and coats of arms other than those included in Article 6 ter, Paris Convention and are of public interest, unless their registration is authorised by the responsible authorities”.

Art. 5.1, of the Trademark Act includes, under letters i), j) and k) three prohibitions referring to the registration of trademarks that incorporate official signs that are specifically protected due to their high level of public interest.

The purpose of these prohibitions is to prevent the registration as trademarks of signs that consist of, include or imitate national emblems, official symbols or

other public interest signs, unless the appropriate authorisation has been obtained.

There is public interest in maintaining these signs outside commercial traffic, giving them special protection so that they are only used for their intended purpose without any business person taking unfair advantage of them.

The precept differentiates three prohibitions, which are: the prohibition relating to the emblems of Spain and its territorial public administrations (Art. 5.1.i); the prohibition that affects signs protected under Art. 6 ter PUC (Art. 5.1.j); and, finally and in a residual manner, the prohibition that covers the aforementioned distinctive signs that are of public interest (Art. 5.1.k).

- **Official Spanish signs (Art. 5.1.i) Trademark Act)**

Art. 5, Section 1, letter i) prohibits the registration as trademarks of *signs that reproduce or imitate the coat of arms, flag, decorations and other emblems of Spain, its autonomous regions, municipalities, provinces or other local entities, unless the appropriate authorisation has been obtained.*

The purpose of this prohibition is to exclude from registration trademarks that reproduce or imitate Spain's state emblems. This protection covers the coat of arms, flag, decorations and other emblems of both Spain and its autonomous regions, municipalities, provinces or other local entities.

The prohibition does not extend to the *denominations* of Spain, or its territorial entities, which are subject to the other prohibitions that affect geographical indications. [Specifically, trademarks shall be refused when they are a descriptive indication of origin (Art. 5.1.c) or deceptive because they could mislead as regards the origin of the product or service and/or give a false idea of officialdom (Art. 5.1.g)].

Protection is given both against “reproduction” and against “imitation” of the protected emblems, and regardless of whether the requested trademark consists of a protected emblem or if the emblem is just a component of it. In this respect it should be noted that it has been decided to abandon the reference to the compulsory “accessory nature” of the different types of possible representations (the coat of arms, flag, decorations and other emblems) in respect of the “main emblem”, which was present in the previous Trademark Act.

The prohibition under Art. 5.1.i) may be cancelled if the appropriate authorisation is submitted. However, registration of a trademark shall be refused, even when the corresponding authorisation has been obtained, if the requested sign is subject to another absolute prohibition for registration, in particular, due to its capacity to mislead the public regarding the geographic provenance of the product or service.

Examples of trademarks refused by the SPTO:

- Trademark no. 2.531.466, mixed, representing the coat of arms of Spain included in Masonic signs and for which no authorisation was provided.
- **Signs protected by Art. 6 ter PUC (Art. 5.1.j) TRADEMARK ACT)**

Art. 5, Section 1, Letter j) prohibits registration of *signs that have not been authorised by the competent authorities and have to be refused pursuant to Article 6 ter, Paris Convention.*

Art. 6 ter, PUC is applicable in the countries that have signed the Paris Convention, as well as the members of the World Trade Organisation (WTO), regardless of whether or not they have signed the aforementioned Convention, in application of the provisions of the TRIPS agreement.

Pursuant to Art. 6 ter, Section 1, Letters a) and b), PUC, the following signs must be refused registration in the absence of authorisation from the competent

authorities, either as a manufacturing or commercial trademark, or as elements thereof, as well as in the case of any imitation from a heraldic perspective:

- Coats of arms, flags and other national emblems of the Paris Union countries (and all the members of the WTO).
- Official control and guarantee signs and stamps used by the above.
- Coats of arms, flags and other emblems, acronyms and designations of international intergovernmental organisations of which one or several members of the Paris Union are members.

The purpose is to prevent the registration of trademarks that are identical or similar to national emblems, as the registration of these signs and their use would infringe the rights of the nation to control the use of the symbols of its sovereignty and, furthermore, could mislead the public as regards the origin of the products to which the trademarks would be applied.

National emblems and official signs and stamps are not only protected in terms of registration of trademarks that are identical, but also in terms of trademarks that incorporate elements of these signs and stamps, as well as the inclusion in such trademarks of any imitation of the national emblems and official signs and stamps from a heraldic perspective.

National denominations are not specifically protected and are subject to the other prohibitions that affect geographical indications; specifically, any trademark that is a descriptive or misleading indication of origin shall be refused.

The protection given extends to the emblems and the acronyms and designations of international intergovernmental organisations, although with some limitations:

1. Protection does not extend to emblems, acronyms and designations that are protected by international agreements and are currently in effect (Art. 6 ter b) *in fine*).

[As indicated in the Guide for the Application of the Paris Convention, the idea is to avoid dual protection when these signs are already protected by an agreement such as the Geneva Convention of 12 August 1949, which protects the emblem of the Red Cross on a white background, the words “Red Cross” or “Geneva Cross” and other similar emblems].

2. Member states are authorised not to prohibit registration of a trademark for which protection is attributable, when the trademark cannot suggest a link between the organisation in question and the emblem, acronym or designation, or if it is unlikely to mislead the public as regards the existence of a link between its users and the organisation (Art. 6 ter c)).

As regards prohibition relating to official signs and stamps for control and guarantees, Art. 6 ter, Section 2 establishes another limitation whereby protection is only applicable when the trademarks that contain these signs and stamps are to be used on goods of the same or similar type as those on which the signs or stamps are applied.

The prohibition may be cancelled if authorisation from the competent authority is provided. Citizens of each country that are authorised to use the national emblems, signs and stamps of their country may use them even if there are similarities with those of other countries (Art. 6 ter. 8. PUC).

To enable application of these provisions, Art. 6 ter, CUP establishes an international system for communication of the list of protected national emblems, which is currently managed by the WIPO. Countries' flags are protected without any need for notification. Protection of emblems, acronyms and designations of international intergovernmental organisations is dependent on their notification. Art. 6 ter, CUP also contemplates a protection system for previous rights acquired by third parties.

Examples of refusals issued by of the OHIM include:



- Trademark no. 1.106.442 mixed  for different class 9, 41 and 42 products and services due to similarity with the EU flag, pursuant to Art. 6 ter, CUP (Decision confirmed by the EU Court of First Instance).



- Trademark no. 2.785.368 mixed  for different class 18 and 25 products due to their similarity with the graphic element of the Canadian flag, registered under Art. 6 ter, PUC (Decision confirmed by the EU Court of First Instance).



- Trademark no. 3.932.118 mixed  for different class 8, 25 and 28 products due to their similarity with the graphic element of the Canadian flag, registered under Art. 6 ter, PUC.

- **Other signs of public interest (Art. 5.1. k) Trademark Act)**

Art. 5, Section 1, Letter k) prohibits trademark registration for *signs that include insignias, emblems and coats of arms other than those included in Article 6 ter,*

Paris Convention and that are of public interest, unless their registration is authorised by the competent authorities.

This prohibition makes it possible to exclude other signs, that is, insignias, emblems or coats of arms, from registration, that are not included in the previous sections and which are considered of public interest, unless the corresponding authorisation has been obtained.

To facilitate application of this prohibition, Additional Provision Nine, Section c) of the Trademarks Act establishes that *for the purposes of the examination of the grounds for the absolute prohibitions to be carried out by the SPTO, the competent bodies in the different public administrations shall notify it of the public interest signs that have to be protected, pursuant to letter k) of Art. 5.1.*

Examples of refusal decisions of the OHIM:

- Trademark no. 602.623 mixed “EURO €” for services to companies and finance entities, as it reproduces a public interest symbol.

➤ **Acquired distinctiveness: Art. 5.2 TRADEMARK ACT**

1. Introduction

The case included in Article 5.2, as well as that in Article 5.3 are the two exceptions with which it is possible to avoid the most common absolute prohibitions for trademark applications seeking registration. In the case of Art. 5.2 the absolute prohibitions that can be exempted from application are as follows: initial rejection of the application for a trademark based on: the consideration that it lacks any distinctive nature, the fact that it is comprised exclusively of elements that describe the product or services in question, the

fact that it is made up exclusively of the normal commercial indications used for the designation of the products or services in question. For this reason, this section is applicable only to the three kinds of prohibitions mentioned and not to all the prohibitions contained in Art. 5.1.

When considering the application of Article 5.2, the two following key aspects should be taken into account:

- assess whether or not it has acquired a distinctive nature, and
- whether or not the acquisition of this distinction has been the result of prior use by the applicant, that is, of its activity in the market using the sign as a trademark and, therefore, as an indicator of the origin of specific products or services compared to the rest of the products or services that exist within the same commercial field.

2. Distinctive character

The assessment of whether or not a distinctive character has been attained is no different to that carried out when examining the sign from the perspective of the prohibition of Art. 5.1.a) and the implicit application of the minimum threshold of distinctive effect or capacity that all signs that comply with the notes on the trademark concept must fulfil. In this respect, both the European case law of the ECJ and the Supreme Court have been clear in its requirement that the use of the sign that claims to have acquired a distinctive nature that did not originally exist, is suitable for becoming a trademark; meaning, that a significant part of the relevant public must identify, *de facto*, the products or services covered by the trademark with a certain commercial origin, prioritising and protecting this function over the hypothetical interest of third party competitors for the sign in question, which we know is one of the key aspects of absolute prohibitions (ECJ Sentences: *Winsurfing Chiemsee*, C-108 & 109/1997 and *Societe des produits Nestle SA vs Mars UK Ltd*, Case C-353/03, Supreme Court Sentence 24/7/1992, Judicial Record 1992/6456). The aforementioned European case law has also reiterated that it is the use as a trademark and, therefore, the distinctive function, which is decisive in this case and not any

other circumstances that could appear decisive, such as when someone claims acquired distinctiveness, claiming monopoly or exclusivity in the use of a sign, as the decisive factor, without being able to prove that this use is an effective use in terms of a trademark (ECJ Sentence: *Philips vs Remington*, C-299/99).

When assessing the distinctive nature it should be taken into account that this examination may not be automatically likened to that required to establish whether or not a trademark is well-known or renowned, as there are three different possibilities. The basic aspect in the case in question would be to recognise a minimum identification threshold in the sign that would, *per se*, result in the corresponding prohibitions but which, as a result of the use by the owner and in view of the evidence supplied, shows that, albeit weak, sufficient distinctiveness has been acquired.

3. Prior use

The main problem, when recognising the acquired distinctiveness of a sign at registration level, is how to estimate the “prior use” of the sign and the proof and evidence supplied by the owner as grounds for the claim of acquired distinctiveness.

It is essential that the proven use is real and effective, meaning that use of the trademark has to be proven and not merely apparent or designed to create a specific superficial image and that this use must have had sufficient influence in the market to overcome the sign's initial lack of distinctiveness and generate a trademark image among consumers.

The circumstances or prior conditions required to recognise valid use for these purposes and to be able to assess it, include the following:

- a) Place of use

The reference place is considered to be the whole of Spanish territory and use should therefore refer to the whole of Spain, or at least to a major part of it, as a result of market unity. This requirement of majority territorial coverage can be tempered in the event of specific circumstances of the products or services to be covered, or in the marketing conditions that make it possible to give greater importance to certain geographic areas with obvious links to the scope of application. On the other hand, there may be cases in which the trademark incurs absolute prohibition in only part of the territory (descriptive or generic words in any of the co-official languages), and the assessment of acquired distinctiveness must therefore be carried out taking into account the basic reference of this territory, as this would be the territory in which the acquired distinctiveness would have to be proven.

b) Time of use

The acquired distinctiveness must already be present at the time of submitting the application. This does not obstruct the fact that evidence of this circumstance may be after this date, normally following suspension for having incurred one or more absolute prohibitions, provided that they refer to facts or circumstances already present prior to the date of the application (SCS 28/01/2004 and ECJ Ruling 11/06/2009 As. C-542/07P, Pure Digital case). Evidence provided after the application date and referring to a period after this date shall be given less importance, provided it is accepted.

c) Reference public

When assessing acquired distinctiveness, it is important to remember which is the reference public for the application scope covered by the requested trademark. This enables a more credible assessment of whether or not the sign is distinctive, given that the sign's acquisition of distinctiveness will be more or less feasible depending on the

characteristics of the public (age, demographic conditions, familiarity with foreign languages, etc.).

d) Application scope

A correlation between the requested products and/or services and those for which a demonstration of use is sought is an essential evaluation component; otherwise, the scope of the acquired distinctiveness will have to be reduced to the acquired distinctiveness actually proven.

On the other hand, in the identical way but inversely, in the case of how to assess whether or not a sign incurs an absolute prohibition, consideration must be given to whether or not the application scope provides elements or conditions that encourage the acquisition of distinctiveness by the proposed trademark (such as the mass or specialist appeal of the products or services, a high or low relation with technology, the use or not of neologisms or foreign language terms, usual or specific market conditions, etc.).

4. Evidence of acquired distinctiveness

Examination of the proof presented by the applicant regarding use must be based both on its territorial and quantitative coverage and on its effectiveness in having led the consumer to consider the sign to be examined as an operational commercial trademark and not a mere descriptive or usual sign or lacking distinctiveness.

Sales figures

Presentation of figures and sales data is one of the best ways of providing proof of the holder's successful efforts to convert the sign to be examined into a genuine trademark, and of how sufficient sales (which takes into account the conditions on using the trademark already mentioned) can demonstrate success of implementing the sign in the

market as a valid trademark. Nevertheless, it is important not to impose the same criteria when considering the sales figures, instead assessing each case on its specific circumstances (for example, it would not be reasonable to compare sales figures for everyday food products, such as bread, coffee or milk, with products that are clearly seasonal, such as Easter eggs, for which the sales would obviously correspond to a very specific period and be cyclical).

Publicity and surveys

The publicity activities carried out in relation to the sign to distinguish a product or service can have an indisputable effect on creating an association between the sign used and certain products or services, enabling it to be set up as a trademark. Therefore, it is reasonable to accept publicity activities and their results as proof, in the form of surveys or polls that establish the degree or percentage in which the sign in question is perceived by the reference consumers as one more trademark in the corresponding market sector. In all cases, the greater or lesser comprehensiveness of the survey or surveys presented, together with the reputation of the entity that carries them out, are key elements in evaluating the credibility and suitability of the data provided.

Examples and samples

There is nothing that says applicants may not present examples of the prior use of the requested trademark in different formats (brochures, catalogues, price lists, etc.) that demonstrate prior use, provided that it is possible to confirm that they existed prior to the application date and that the use of the sign in these media is clearly as a trademark.

Certifications of organisations related to the commercial activity

Similar to the cases of well-known or renowned trademarks, the submission of certificates issued by certain organisations such as the

Chamber of Commerce, reporting on the use of the sign in commercial activities and certifying certain conditions related to the facts in question, is an element that should be considered, having been deemed as relevant even by the Supreme Court (SCS 31/10/1997).

5. Distinctiveness acquired as a result of use in conjunction with a registered trademark

It is possible for applicants to submit a sign for a trademark request that appears to be covered by one of the three cases of absolute prohibitions that can be invalidated under Art. 5.2, alleging that the sign in question has obtained acquired distinctiveness as a result of its prior use in combination with another or other trademarks that are already registered.

One such case resulted in the ECJ Ruling of 7 July 2005 in the matter *Societe des produits Nestle SA vs Mars UK Ltd, Case C-353/03*, which interpreted the article of the First Trademark Directive on acquired distinctiveness. The issue in dispute was whether or not the holder of the “Kit Kat” and “Have a Break, Have a Kit Kat” trademarks could subsequently register only “Have a Break” as a trademark. The ECJ considered that it would be possible, if it could be proven that due to the prior use of the trademark “Have a Break, Have a Kit Kat” the “Have a Break” portion was recognised by consumers as linked to the chocolate bar protected by both priority trademarks (“Kit Kat” and “Have a Break, Have a Kit Kat”) and, therefore, more than a mere caption without any distinctiveness and that the prior use by the applicant had given it acquired distinctiveness. (A similar case had previously been resolved in Supreme Court Ruling 6/11/2003, although in this case the acquired distinctiveness of the descriptive part of the trademark in the “*doble caldo*” [double stock] trademark issue was rejected).