



Trademark Litigation Review

2025

**Specialist chapter: Crucial
Considerations for Brand Owners
Contemplating Legal Action in Spain**

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The second edition of the WTR Trademark Litigation Review casts an expert eye on some of the most pressing issues facing those involved in litigation on both sides of the divide, blending analytic insight with on-the-ground expertise from the key regions of the Americas, the Asia-Pacific, and Europe, the Middle East and Africa.

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Specialist chapter: Crucial Considerations for Brand Owners Contemplating Legal Action in Spain

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Summary

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IN SUMMARY

This chapter explains what to take into consideration before taking legal action in Spain

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REFERENCED IN THIS ARTICLE

- Spanish Trademark Law 17/2001
- EU Trademark Directive
- Spanish Unfair Competition Law 3/1991
- Spanish Patent Law 24/2015
- Supreme Court Judgement 520/2014
- Preliminary injunction of the Spanish EU Trademark Court of Alicante of 13 July 2023

Initiating legal action in Spain, or any other jurisdiction, is a significant step for brand owners. Before taking such action, it is crucial to consider various factors and ask some key questions to ensure that the legal process aligns with your brand protection and enforcement goals.

The EU Trademark Directive has brought to Spain a uniform criterion with the other EU member states, but there are still some elements to bear in mind when deciding to take legal action as a brand owner because of the particulars of Spanish practice.

INVESTIGATION AND RESEARCH

It is essential to conduct an investigation of the defendant in detail in a trademark litigation case and, among other things, it is necessary to take into consideration where they are based, their financial situation, if they hold trademark registrations and the relevance of securing evidence.

DOMICILE OF THE DEFENDANT

In some cases, the defendant is habitually relocating or there is no effective domicile that may pose a problem for brand owners' interest. This happens usually with regard to online trademark infringements where infringers want to go unnoticed and in those cases where information regarding the ownership of a website is not available, even though it is mandatory according to Spanish law.

Spanish procedural law provides for measures if the defendant cannot be located and the judgement must be served by public notice, by publishing the action in court or in official

gazettes or newspapers. The consequence of this is that the defendants never participate in court proceedings, which continue exclusively with the plaintiff and the court.

Even if the defendant's lack of participation in the court proceedings does not prevent the trademark proprietor from filing the action and obtaining a favourable judgement, the enforcement of the judgement will take considerably longer and may be unsuccessful.

Finally, where the defendant is based is also relevant to determine the competent court to handle the matter.

EVIDENCE OF INFRINGEMENT

Securing evidence of infringement is important to obtaining goods results in a trademark legal action. This does not necessarily mean acquiring samples of the infringing goods, as in some cases, for example, due to the nature of the goods involved or because these are not for sale yet, this is impossible.

This is particularly relevant when the infringement takes place online, in marketplaces or in the digital world (eg, the metaverse) where it could be taken down immediately. On a separate note, the EU Trademark Court of Alicante granted a preliminary injunction (in UTOPIA) on 13 July 2023, being the first in relation to a trademark infringement in the metaverse.

Securing evidence by means of a notary may be advisable depending on the particulars of the infringement.

FINANCIAL SITUATION

It is important to investigate the defendant and check with Spanish Companies House or other business information providers to confirm that the defendant has sufficient assets to cover potential compensation and reimbursement of legal costs.

Although the brand owner may still have a favourable judgment ordering the defendant to cease the infringement, the impossibility of obtaining compensation and reimbursement of legal costs must be taken into consideration.

RIGHTS IN THE NAME OF THE DEFENDANT

Although the principle of immunity of a trademark registry has had no effect in Spain since the DENSO judgment in 2014, it is important to be aware of trademarks (or trade names in Spain) in the infringer's name, even if this has been filed after the brand owner's trademark as the intervening rights defence may apply.

In a legal action, holding a registered trademark, even if this has been filed after the infringed trademark, may play an important role in the strategy of defence. This is called the intervening rights defence and it may affect the exclusive rights of the earlier EU or national trademark:

- The earlier trademark cannot prevent use of a later trademark if this could have been declared invalid owing to non-use at the filing date (or priority date) of the later trademark.
- If the earlier trademark has no distinctive character, is descriptive or is a generic term, it cannot prevent use of a later trademark if it had not acquired distinctive character at the filing date (or priority date) of the later trademark.
- The earlier trademark enjoying reputation cannot prevent use of a later trademark based on unfair advantage, or be detrimental to its distinctive character or reputation,

if it had not acquired reputation at the filing date (or priority date) of the later trademark.

When it comes to intervening rights, it is very important to take into account the unitary effect of EU trademark registrations and the fact of facing an intervening rights defence on the basis of national rights.

SPANISH TRADEMARK COURTS

The Spanish EU trademark courts are the courts with sole jurisdiction to deal with EU trademarks in Spain.

While each member state has a specialised court for EU trademark matters, infringement actions in relation to an EU trademark (or trademark with EU effect) involving non-EU parties (or with no establishment in the European Union) will necessarily be handled by the Spanish EU trademarks courts, as these are the courts where the EUIPO has its seat.

When taking actions solely on the basis of infringement of Spanish national trademark registrations, actions may be filed in courts in the region where the defendant is based, where the trademark holder's representative is based or where the infringement took place. The competent court is the commercial court based where the High Court of Justice of that region is based. In some provinces (Barcelona, Valencia, Madrid, Granada or Bilbao, among others), Spanish procedural law designated specialised courts in trademark matters.

UNREGISTERED RIGHTS IN SPAIN

Contrary to common law jurisdictions where passing off applies, Spain requires a trademark to be registered to have exclusive rights over that sign. However, unregistered rights may still serve as a basis for actions provided that the sign is notoriously known in Spain.

The Unfair Competition Law 3/1991 (UCL) can also serve as a basis for the protection of unregistered rights, but this is complementary to intellectual property. In this respect, it is indeed possible to bring actions for trademark infringement and actions for unfair competition together, but actions for unfair competition cannot replace the protection provisions of the Spanish Trademark Law 17/2001 (STL). In practice, the defendant's conduct must go beyond decent business practises for a case to apply both the UCL and the STL.

CEASE AND DESIST LETTERS AND COMPENSATION

It is not required under the STL and courts' practice to send a cease and desist letter before bringing legal actions.

That said, it is always advisable to send a cease and desist letter to show courts that the brand owner is seeking to settle out-of-court. Besides this, it is also advisable to send a cease and desist letter because the liability for damages of defendants will start once they are notified of the trademark infringement, except in the following cases:

- when the infringer is the first commercialising the goods and/or services in the market;
- when the infringer is the importer of the goods into the Spanish market;
- when the infringer is using the trademark in the goods or in the packaging;

- when the infringer acted in bad faith;
- when the trade mark is well known;
- when the infringer acted negligently; and
- when the infringer used the trademark in elements for identifying or decorating the goods and/or services knowingly that these may be used in relation to goods and/or services.

The damaged party shall request that the compensation is fixed taking into account different criteria. Among these factors, it is possible to establish the compensation as follows:

- the negative economic consequences suffered by the damaged party, including the profit that the right holder would have made if the infringement had not occurred or the profit that the infringer has made as a result of the infringement; or
- a lump sum amount comprising at least the amount that the infringer should have had to pay to the owner of the trade mark for a licence.

Moral damages, investigation costs and damages caused to the prestige of the trademark may also be included in the compensation.

ENTITLEMENT TO BRING LEGAL ACTIONS

Trademark infringement actions can be filed by the trademark holder, but there is also the possibility for licensees or co-owners to bring actions provided that some requirements are met.

Exclusive licensees will be entitled to bring legal actions unless otherwise agreed in the licence agreement. However, even if the agreement expressly stated that the exclusive licensee was not entitled to bring an action, it is still possible for the exclusive licensee to bring an action if the trademark holder is required to file actions against the trademark infringement and fails to do so within three months. For EU trademark registrations, it is not required for the exclusive licensee to wait for three months after requesting the EU trademark holder to take action against an infringement. EU trademark law requires the EU trademark holder to proceed instead within an appropriate period.

Non-exclusive licensees of Spanish trademark registrations can also bring legal action if they have requested the trademark holder to do so and no action is taken within three months. With regard to EU trademarks, non-exclusive licensees need consent from the EU trademark holder to bring an action.

For these provisions to apply, it is necessary that the licence is registered in the Spanish Patent and Trademark Office. Contrary to the Spanish Patent Law 24/2015, EU trademark case law ruled that registration of a licence is not necessary for the licensee to take action.

Any licensee of a Spanish trademark registration that brings an infringement action on the basis of the above-mentioned provisions must notify the trademark holder, who will be entitled to intervene in the proceeding, either as an independent party in the proceeding or as an intervener supporting the licensee.

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