

ANSWERS TO PLAIN PAKAGING QUESTIONNAIRE

Spanish Group

- 1) If the general conditions of registrability are met, does the product or service in relation to which a trade mark is used or proposed to be used have any affect on the ability to:
- (a) register the trademark; and
 - (b) use it once so registered?

No.

- 2) What rights are derived from trademark registration?

ius utendi (Right to use, according to article 34 of the Spanish Trade Mark law) +
ius prohibendi (Right to exclude or to prohibit).

- 3) What rights exist in relation to a sign used as a trademark but not registered? What is the basis of any such right?

The existing right is a *ius prohibendi*, and the basis is a well-known trademark.

- 4) Is it possible to:

- (a) obtain; or
- (b) maintain;

registration for a trademark that is not:

- (i) used; or
- (ii) intended to be used?

It is possible to obtain registration for a trademark that it is not used or intended to be used, however a trademark registration that is not genuinely used for a term of five consecutive years is open to cancellation at the request of third parties.

- 5) If yes to 4) above, are the rights derived from such trademark registration the same or different to registered trademarks that are used?

The rights derived are the same.

- 6) Are rights in unregistered trademarks dependent on use? Whether yes or no, please explain the basis for your answer.

Yes, only if used the unregistered trademarks may become well-known and get the protection under article 6 Bis of the Paris Convention.

7) Is there any basis to restrict the use of:

- (a) a registered trademark; or
- (b) a sign used as a trademark?

If yes, please explain any relevant laws or precedents.

No.

8) Is there any basis for the state or any state-controlled body to expropriate?

- (a) a registered trademark;
- (b) a sign used as a trademark; or
- (c) the rights deriving from either (a) or (b)?

If yes, please explain any relevant laws or precedents.

Yes, article 33 of the Spanish Constitution and article 349 Spanish Civil Code contemplate expropriation of proprietary rights. Expropriation has been developed by the Expropriation Act, of 16 December 1954; and the Expropriation Regulation of 26 April 1957. Article 123 of the Expropriation Regulation expressly refers to the expropriation of industrial property rights.

9) If yes to 7) or 8) above, do public interest considerations provide any basis for such restriction or expropriation ("Restriction/Expropriation")? If yes, please explain any applicable public interest considerations, and any relevant laws or precedents.

Yes. Expropriation is dependent on "public utility" and/or "social interest" reasons.

10) If yes to 7) or 8) above, are trademarks different from other intellectual property rights in this regard?

No. Article 99 of the Expropriation Act used to differentiate between the expropriation of patents and other industrial property rights. Such article has been derogated by the current Patents Act that contains a specific regime for compulsory patent licenses in case of public interest and other relevant reasons.

11) If yes to 7) or 8) above, are any treaty or other international obligations relied on to provide a basis for such Restriction/Expropriation (as applicable)? If yes, please explain the international obligations, and how those obligations are reflected in or received into your country's law.

No

12) Is your country a signatory to the WHO Framework Convention on Tobacco Control ("FCTC")? If yes, has your country ratified the FCTC?

Yes. It was ratified by Spain on January 11th, 2005 and entered into force on April 11th, 2005.

- 13) If yes to 12) above, has the FCTC been implemented in your country? If yes, please explain its legal impact, if any, including by reference to the Guidelines for Implementation of Articles 11 and 13 of the FCTC.

Yes. The FCTC has been implemented mainly through (i) Law 28/2005 on health measures regarding smoking and regulating sales, supply, use, and advertising of tobacco products (Ley 28/2005, de 26 de diciembre, de medidas sanitarias frente al tabaquismo y reguladora de la venta, el suministro, el consumo y la publicidad de los productos del tabaco); and (ii) Royal Decree 1079/2002 regulating maximum nicotine, tar and carbon monoxide content of cigarettes, labeling of tobacco products, and measures relating to ingredients and denominations of tobacco products (Real Decreto 1079/2002, de 18 de octubre, por el que se regulan los contenidos máximos de nicotina, alquitrán y monóxido de carbono de los cigarrillos, el etiquetado de los productos del tabaco, así como las medidas relativas a ingredientes y denominaciones de los productos del tabaco).

By way of example, in relation to article 8 of FCTC - Protection from exposure to tobacco smoke -, under Royal Decree 1079/2002 (as amended by Law 42/2010) the ban on smoking applies to all indoor public spaces, as well as kids areas and educational and health centers, even in open areas.

In connection with article 11 of FCTC - Packaging and labelling of tobacco products -, under Royal Decree 1079/2002 (as amended by Royal Decree 639/2010) health warnings on tobacco packages do incorporate photos and images.

In connection with article 13 of FCTC - Tobacco advertising, promotion and sponsorship-, under Law 28/2005 (as amended by Law 42/2010) the ban on advertising has been reinforced with the prohibition in all media (including information society services) of broadcasts where conductors and guests smoke or mention or show tobacco brands, logos, etc.

- 14) Is the FCTC received directly into your country's domestic law or is domestic legislation required to give it effect in your country's law?

Please refer to first paragraph of preceding reply.

- 15) If there is presently a legal basis in your country for permitting any Restriction/Expropriation, please answer the following questions in relation to both registered trademarks and unregistered trademarks (if your country recognizes/protects the latter).

- (a) What are the parameters for such Restriction/Expropriation? For example, the nature of any stated public interest considerations, the proportionality of the proposed measure to the Restriction/Exploration.

The expropriation process requires a prior declaration by the competent public body concerning the “public utility” and/or “social interest” of the concrete purpose of the expropriated right.

Proportionality is also a requisite as only those rights that are strictly necessary can be

the object of an expropriation.

- (b) Is it relevant that such Restriction/Expropriation only applies in relation to a particular class of products, eg tobacco products, foods deemed to be unhealthy or alcohol?

The expropriation may be sought with respect to all or certain products for which the trademark is registered.

- (c) What are the financial consequences for the state and the trademark rights holder respectively? For example, is a rights holder entitled to or eligible for any compensation in respect of the Restriction/Expropriation? If yes, what type of rights holders are so entitled or eligible? If not, why is no compensation available?

Compensation is a requisite for the valid expropriation of any right under Spanish laws.

- (d) If compensation is available, how is it calculated?

The right holder and the expropriating authority may agree on the acquisition of the relevant right. If no agreement is reached the right holder is granted a period for proposing a value to the administration. The amount would have to be duly grounded and may be supported by the signature of an expert. The relevant authority may accept the proposed value (that would become the definitive price) or propose another figure that may be accepted or not by the right holder. If the right holder were to decline the administration counter offer, the value would be determined by the competent expropriation board (“jurado de expropiación”).

- (e) Does a trademark rights holder affected by Restriction/Expropriation have any other claims or remedies against the state? If yes, please explain the basis and nature of any claims or remedies.

Right holders are entitled to challenge the administrative resolution terminating the expropriation process as well as any separate procedure within the main process. Right holders may even resort to the civil jurisdiction to retain or recover their rights in the event the administration did not observe essential procedure requisites.

- (f) In the event of Restriction/Expropriation, could a trademark remain registered?

Yes. In theory the registry would reflect the existence of the expropriation process and the new right holder once the process is terminated.

- (g) If yes, what is the consequence of any Restriction/Expropriation on a well known trademark that was registered prior to the Restriction/Expropriation?

Consequences would be the same as in the case of non well-known trade marks. The value of a well-known trade mark would be in principle higher than the value of non well-known trade marks.

- 16) If there is presently no legal framework in your country permitting Restriction/Expropriation, please answer the following questions in relation to both registered trademarks and unregistered trademarks (if your country recognizes/protects the latter).

- (a) What legislative changes would be necessary in your country to implement a plain packaging regime for a specific class or classes of products such as those previously mentioned? For example, amendments to existing domestic trademark legislation, changes to your country's constitution,

- multilateral or supranational treaty obligations.
- (b) Could a plain packaging regime be implemented in your country without providing compensation to affected trademark rights holders? If no, what type of rights holders would be entitled to or eligible for compensation? If yes, why would no compensation be payable?
 - (c) Would a trademark rights holder affected by Restriction/Expropriation have any other claims or remedies against the state? If yes, please explain the basis and nature of any claims or remedies.

Though there is legal basis for trade mark expropriation in Spain, the following case may also be of interest.

On the 31 October 2012 the general director of “Red.es” - the public entity that manages the registry of country domains names ending in .es - issued an instruction establishing the procedure for the reassignment of domain name entailing exceptional general interest.

By way of example, under the said instruction Red.es has reassigned the domain name <sareb.es> - that was registered under the ownership of an individual – to the company Sareb. Sareb (also known as the “bad bank”) is the acronym of the entity that was created to manage the toxic assets mainly pertaining to nationalized banks. The former holder of the domain <sareb.es> has challenged this reassignment before the contentious administrative courts.

In a press release posted at the Website of Red.es <<http://www.red.es/redes/sala-de-prensa/nota-de-prensa/reasignacion-de-dominios-es-de-interes-general>>, it is said that the reassignment of a domain related to general interest does not amount to an expropriation as public resources are not eligible to be owned by those who do not represent general interest (they may only use those resources). Furthermore, it is said that the new reassignment process is endowed with all due legal guarantees (former domain holders are given the opportunity to present allegations, will be compensated for the expenses incurred as consequence of the registration and may challenge the reassignment before contentious-administrative courts).