

INDUSTRIAL AND INTELLECTUAL PROPERTY GUIDE

We will start this guide by framing the topic, which involves different types of rights that all have one thing in common: their source of creation, the human mind.

These rights can be classified into two major blocks:

- 1) Intellectual Property Rights or Copyright
- 2) Industrial Property rights, which in turn, could be further subdivided into two groups:

- 2.1. Distinctive signs

- 2.2. Inventions

While the fundamental difference between these two large blocks is determined by the protection subject matter, this also lies in the way in which the right is created, as we will see later on.

It is worthwhile reflecting right from the outset that rather than being incompatible with one another, they are rights that are independent and cumulative. In other words, a painting can be copyright protected while also being a trademark if it is used on a shirt label as a business source identifier, for example. But it can also be an industrial design or drawing if, following the same example, it is used on the shirt in graphic form.

It is best to consult with an Expert or an Official Industrial Property Agent to protect these intangible assets. These professionals will help select the best protection strategy by saving us costs, time and any unpleasant surprises when launching and marketing our products.

Apart from the above, we will also briefly mention other intangible assets that are not distinctive signs or inventions, but that are also worthy of protection through the still new business secrecy legislation.

1- INTELLECTUAL PROPERTY RIGHTS

In terms of the Spanish Legal System, these are mainly regulated by Royal Legislative Decree 1/1996, dated 12 April, approving the consolidated text of the Intellectual Property Law, regulating, clarifying and harmonising the legal provisions in force on the matter.

The intellectual property of any literary, artistic or scientific work belongs to the author for the mere fact of having created them. Possible registration is merely declarative and is not constitutive, where the event giving rise to this is not its registration but rather the mere creation of the work itself.

All **original** literary, artistic or scientific creations expressed by any tangible or intangible means or support, currently known or invented in the future, are subject to intellectual property, including:

Books, brochures, prints, collection of letters, writings, speeches and speeches, lectures, forensic reports, professorship explanations and any other works of the same nature.

Musical compositions, with or without lyrics.

(...)

Sculptures and paintings, drawings, engravings, lithographies and graphic cartoons, comic books or comics, as well as their outline versions or sketches and other visual art works, whether applied or not.

Architectural and engineering work projects, plans, models and designs.

Graphs, maps and designs relating to topography, geography and science in general.

Photographic works and those expressed in a similar way to photography.

Computer programmes.

Intellectual property is composed of personal and property rights, which grants the author the full exercise over and exclusive right to use the work, without any more limitations than those established in Law.

The former, which are inalienable, also known as “moral rights”, would primarily include recognition of the material authorship of the work and the right to its integrity.

The latter, which can indeed be exercised, would include, as its name suggests, the commercial use of the work.

This type of right generally lasts 70 years from the death of the author regardless of whether it is registered in the corresponding Registry or not. And according to the Berne Convention for the Protection of Literary and Artistic Works dated 9 September 1886, revised in Berlin on 13 November 1908 and in Rome on 2 June 1928, this has a practically universal territorial scope since the recognition of the right by the Spanish Legal System would entail its recognition by the other countries that signed the Convention.

TIPS:

Registration in the Intellectual Property Registry does not constitute the Right, can be complex, therefore making other alternatives increasingly more common, such as drawing up a Notarial Deed where the work is recorded, or going to private organisations that pre-constitute proof of disclosure, sometimes using blockchain technologies.

2- INDUSTRIAL PROPERTY RIGHTS

2.1 DISTINCTIVE SIGNS

While we are basically referring to Trademarks, there is another figure as we will see in the Spanish Legal System, the Trade Name, and we will also briefly refer to other types of Trademarks that are worth knowing about.

The first major difference with respect to copyright is that registering trademarks is constitutive of the Right with little exception. In other words, the use of a sign does not imply recognition of a Right. It needs to be properly registered in a register.

A distinctive sign may be used freely unless such use is contrary to any sectoral rule (labelling regulations could have a particular impact in this case), or unless it infringes a third-party exclusive right. However, if we wish to legitimise such use (*ius utendi*) and be in a position to prevent the use of an identical or confusing sign by third parties (*ius prohibendi*), it must be registered.

Trademarks may constitute all signs, particularly words, including names of people, drawings, letters, figures, colours, the shape of the product or its packaging, or sounds, provided that such signs are suitable to:

- a) distinguish the products or services of one company from those of other companies and
- b) are represented in the Register of Trademarks in such a way as to enable the competent authorities and the general public to determine the clear and precise purpose of the protection granted to its holder.

The different regulations that make up Trademark Law establish a series of signs which, according to law, cannot be monopolised by any market operator. We are talking about “absolute registration prohibitions”, which must always be examined on the basis of the products and/or services that the trademark is targeting.

The most frequent of these prohibitions apply to generic, descriptive, misleading or signs contrary to law or good customs.

Registering a Trademark is an administrative procedure, of varying degrees of length and complexity depending on the different obstacles we may encounter.

The granting of the Trademark, its actual registration, does not entail the acquisition of an absolute monopoly. However, this type of Right can be said to have three limitations:

- Time: They are rights that while having a limited legal life, can be extended indefinitely.
- Territorial: These are rights that have effects in the country or countries (sub-state registers do not exist) where they are registered. Even two identical trademarks can co-exist in different jurisdictions with certain nuances.
- Application: Whenever a Trademark is registered, it is necessary to claim which products and/or services the exclusive right is intended to be claimed for and to classify them in accordance with an International Standard that groups them into a total of 45 classes (Nice classification), without prejudice to the fact that certain countries have their own internal classification regulations. Even two identical trademarks can coexist in the same market if they target non-concurrent business sectors.

In terms of timescale, the legal time frame cannot be selected by the applicant. This is determined by Law and is usually 10 years from the date of application. In any case, they can be extended indefinitely.

With regard to the territorial scope, there is a stress on the idea of the Trademark being a limited right. However, a Trademark can be extended territorially at any time with no restrictions other than for the sign to be available in the territory of interest.

Apart from local trademarks as already mentioned above, one figure is worth mentioning, the European or Union Trademark, which grants protection in the 27 EU member countries, including Spain, through a single registration.

While the Union Trademark may always seem a good option if used or intended to be used in several European markets, the figure is not without its own issues, and it is therefore necessary to bear in mind the present needs and the short-term business plan (5 years) to assess the suitability of this type of Trademark or to look at other registration alternatives.

Another figure that is worth knowing about is the International Trademark. A system made up of two International Treaties signed by a number of countries that account for more than 80% of world trade, and which seeks to reduce and simplify the international presence of trademarks.

As regards scope of application, we must bear in mind the need for precision and adjustment to the Nice classification, particularly in Europe, based on the ruling of the CJEU known as the IP TRANSLATOR.

As we mentioned above, the Spanish Legal System also includes a different figure, known as the Trade Name.

A trade name is defined as any sign that is susceptible to being represented graphically that identifies a company in commercial traffic and serves to distinguish it from other companies that perform identical or similar activities.

Making the choice between one legal figure or another or a combination of both, will depend on the use made of the sign to distinguish products and services from other ones or to distinguish any particular company in relation to the products and services it is selling.

TIPS:

It is essential to define a correct registration protection strategy to properly protect these assets which are often the most valuable asset of a company. Industrial Property Agents are the experts who can help us define this strategy and support us throughout the procedure.

Choosing a generic or descriptive sign may seem like a good idea to get quickly positioned in the market as it makes it easier to be remembered by the target audience and a better SEO positioning of the website. However, the failure to monopolise these signs will then make it impossible to prevent them being used by third parties; in other words, third parties will be able to take advantage of our good work, our reputation and our goodwill.

Conducting a preliminary study of registrability, which we should not confuse with the use of trademark locators that provide users with the Trademark Offices on their websites, will allow us not only to have greater confidence that the use of the sign will be trouble-free even after its registration, while also setting the parameters for a proper defensive strategy for our Trademark.

It is vitally important to know that many of the Trademark Offices do not have the authority to protect the registered rights; in other words, they cannot object to an application due to the pre-existence of a Trademark registered in favour of a third party. This is the reason why it is so important to have the technical and human resources to be able to detect any new applications that are published and respond to them as soon as possible. Industrial Property Agents have these tools that their representatives can avail of.

Websites for further information:

www.oepm.es

www.euipo.eu

www.wipo.int

Basic regulations:

Law 17/2001

Regulation EU 2017/1001

Madrid Agreement on the International Registration of Trademarks dated 14 April 1891, revised in Stockholm on 14 July 1967.

Protocol concerning the Madrid Agreement on the International Registration of Trademarks dated 27 June 1989.

2.2. INVENTIONS

We can sub-divide these type of rights as follows:

Actual inventions, within which we will be looking at Invention Patents and Utility Models.

And the form solutions, though perhaps not the most appropriate terminology, would comprise the figure of industrial design.

2.2.1 THE INVENTION PATENT

The Spanish Legal System does not contain any positive definition of what an invention patent is. The only thing that this Law says is that inventions that are new, inventive and capable of industrial application are patentable in all fields of technology.

According to the RAE [Royal Academy of Spanish], an invention is *"the action and effect of inventing"*, defining this verb as *"finding or discovering something new and unknown."*

An invention patent is an industrial property title that grants its holder an exclusive right to use the technical solution described in its report, in the claims.

Its registration is a constituent of such a technological monopoly, i.e. where the general principle is the free imitation of any unconnected benefits not covered by an exclusive right. Furthermore, this right is acquired through the corresponding registration.

The requirements for invention patents are being novel, sufficiently inventive and industrially applicable as set out in the above legal definition.

An invention is considered to be novel when it is not covered by the state of the art.

The state of the art consists of everything that has been made accessible to the public anywhere in the world through a written or verbal description, through any use or by any other means prior to the filing date of the patent application.

Its actual disclosure nullifies the requirement of novelty; in other words, the requirement of novelty would be violated if the actual inventor discloses the content of his/her invention prior to the application. One example would be marketing the product comprising the technical solution.

An invention is considered to involve an inventive activity if it does not result from the state of the art in any obvious way to an expert on the matter.

Defining someone as an expert in the field or defining what is obvious is much more subjective than novelty, notwithstanding the many theories and case law that seek to refine these indeterminate legal concepts.

An invention is considered to be industrially applicable whenever its subject-matter can be manufactured or used in any kind of industry, including agriculture.

Registering a patent involves passing an administrative procedure in which the corresponding Patent Office will examine whether the application meets the requirements of novelty, being sufficiently inventive and being industrially applicable. This is a lengthy and complex procedure, the reason why we once again suggest consulting with an expert in this field or with an Industrial Property Agent. This is especially relevant whenever a badly written report can lead to an invention not being protected due to violating the requirement of novelty, by publishing the application or presenting the product.

We are again dealing with a territorially limited right. In other words, a right that will only take effect in the country or countries where it is actually registered.

There is a non-extendible time frame of 12 months from the initial time a patent application is filed to launch the application in other jurisdictions (priority). Once this period has elapsed, the requirement for novelty will be very likely affected in other jurisdictions that may be of interest.

The "global patent" as it is colloquially known is actually an International Treaty (PCT) through which there is somewhat of an expectation of rights in the designated countries of some of those forming part of the Treaty, up to a total of 30/31 months from the date of the initial filing.

While the Patent Office studying the PCT application will analyse if the patentability requirements of the invention are met, it does not have any powers either to grant or to turn down the application. Once the corresponding period has elapsed, it will be necessary to "enter a number of phases". Continuing to process in each jurisdiction concerned and in accordance with the applicable regulations, with the application submitted for further examination if the patentability requirements have been met.

Another figure that is worth learning about is the European patent which has no relation to European Trademarks. One reason for this is due to the fact that it is not regulated by Community law. This is an International Treaty.

The European patent involves a common process for the designated countries that are part of the Treaty, but unlike the previous figure, in this case, the Examiner will end up deciding on the granting or refusal of the application. Furthermore, whenever the European patent is granted, it will have to be “validated” to be fully valid in the countries of interest of those designated in the application, who will not conduct any further examination due to having delegated the study to the European Patent Office (EPO)

An invention patent generally has a maximum non-extendible legal life of 20 years, with a maintenance fee payable every year. Its contents become public once the maximum legal time frame has elapsed or the patent expires due to non-payment of the maintenance fees. It then becomes usable by any market operator.

Similarly, a patent not extended to another jurisdiction becomes part of the state of the art. As a more common rule, a third party may not patent the same solution (due to not being novel) but may apply it without any limitation within the jurisdiction where the Right is not registered.

There are certain matters that are not subject to protection through this legal figure. These include plant varieties and animal breeds, although inventions involving plants or animals shall be patentable if the technical feasibility of the invention is not limited to a particular plant variety or animal race.

Notwithstanding the above, **PLANT VARIETIES** are protected through a different legal figure to the invention patent and that is registered in a separate Register.

A plant variety is defined as a set of plants from a single botanical taxon of the lowest known range, regardless of whether or not it responds fully to the conditions for the granting of a breeder's right (a person who has created or discovered and developed a variety, or its successor), can:

- a) Be defined by the expression of the characters resulting from a certain genotype or a certain combination of genotypes.
- b) Distinguish itself from any other set of plants by the expression of at least one such character, and
- c) Be considered as a unit, given its ability to spread without undergoing any alteration

The plant variety shall be new, distinct, homogeneous and stable:

The variety will be considered new if, on the date that the application for the plant variety title is filed, the propagating material or plant propagating material or a crop product of the variety has not been sold or delivered to third parties by the breeder or with his/her consent for use of the variety or where no time frames have elapsed if this is the case. In other words, disclosure itself may be harmless to a certain degree if the application is submitted within certain time limits.

A variety will be considered different if it can be clearly differentiated by the expression of the features resulting from a particular genotype or a combination of genotypes, of any other variety whose existence is well known at the date that the application is filed.

The variety shall be considered homogeneous if its specific features are sufficiently uniform, subject to the foreseeable variation in view of the particular features of its seed propagation or plant propagation.

The variety shall be considered stable if its specific characters remain unchanged following successive propagations or at the end of each cycle in the case of a particular cycle of propagations.

The right conferred on the breeder through the registration of the variety is similar to that of the patent holder. Monopolising the use of the variety for a period of 25 years or 30 years depending on the type of variety in question (vine or arboreal).

They are also territorially limited rights, and one single registration is possible that is valid throughout the EU.

The registration of a plant variety is also a complex procedure that will be much easier to deal with if we do so with the assistance of an expert in the field.

2.2.2 THE UTILITY MODEL

This is a figure that while not in existence in all countries, is so in Spain.

Industrially applicable inventions which, due to being new and involving inventive activity, consist of granting an object or product a configuration, structure or composition leading to any practically appreciable benefit for its use or manufacture may be protected as Utility Models.

The state of the art with reference to which the novelty and inventive activity of the inventions protected as Utility Models should be judged shall be the same as those established for the Invention Patents. Worldwide novelty

An invention is considered to involve an inventive activity if it does not result from the state of the art in any very obvious way to an expert on the matter for its protection as a Utility Model.

The requirement for inventive activity in this figure is lower than for the patent.

The Utility Model is not subject to any examination to verify compliance with patentability requirements, but this examination is mandatory if any action due to infringement is to be taken against third parties.

An invention requested as a Utility Model will be granted provided that the formal requirements are met, its lack of novelty is not palpable and there are no objections from third parties during its processing.

The title generally has a maximum legal term of 10 years, with fees payable annually for its continuing maintenance.

This is a right that is only valid in the country where it is registered and is also subject to a maximum period of 12 months for its possible extension to other countries. For its international presence.

It is important to remember that a badly written report may also nullify the requirement of novelty, therefore making it absolutely essential to consult with an Industrial Property expert to receive proper advice and manage the drafting of the report and support us throughout the processing.

TIPS FOR THESE FIGURES:

The patentable solution (invention patent or utility model) does not mean that it can be implemented without infringing the rights of third parties.

Inventions developed in Spain must be presented at the SPTO at the risk of them being no longer valid in the country afterwards.

It is a myth that a patent is circumvented due to just any type of change. A patent or Utility Model may be infringed by performing the technical characteristics described in its claims; by not conducting them and instead just replacing them with equivalent characteristics; or through indirect infringement (such as not selling a protected drug but instead selling its compounds with the prescription of how to produce the drug).

Websites for further information:

www.oepm.es

www.epo.org

www.wipo.int

www.mapa.gob.es

www.cpvo.europa.eu

Basic regulations:

Law 24/2015 on patents.

Munich Convention on the Granting of European Patents dated 5 October 1973.

Patent Cooperation Treaty (PCT) dated 19 June 1970.

Plant Variety Law 3/2000

EC Regulation 2100/94 consolidated text on plant varieties.

2.2.3 INDUSTRIAL DESIGN

An industrial design, formerly known as industrial models or drawings depending on whether they are two or three-dimensional, claims an exclusive and exclusionary use of the appearance of all or part of a product, derived from the characteristics of lines, contours, colours, form, texture or materials of the product itself or its ornamentation in particular.

Registration of the design shall not confer any right on the appearance characteristics of the product which are dictated solely based on their technical function.

Designs that are new and of a unique nature may be registered.

A design shall be considered to be new whenever no other identical design has been made accessible to the public before the date that the application has been filed.

Its actual disclosure does not affect novelty as long as the initial disclosure and the design application have not elapsed for more than 12 months.

Designs whose characteristics differ only in irrelevant details will be considered identical.

A design shall be considered to have a unique nature whenever the general impression it gives informed users differs from the general impression that this user has for any other design that has been made accessible to the public before the date that the application has been filed.

The author's degree of freedom to develop the design shall be taken into account in determining whether the design is of a unique nature.

Once again, we are dealing with territorially limited rights. However, we have 6 months to be able to protect the design in other jurisdictions from the initial filing of an application. The requirement for novelty will be affected thereafter.

The legal time frame is generally a maximum of 25 non-extendible years, with maintenance payments payable every five years.

Applications for designs are not examined in Spain or Europe in terms of meeting novelty or uniqueness requirements. A formal examination takes place, and the granting of the Right is published without prejudice to the fact that third parties can later raise objections or take actions aimed at its annulment.

There is one European figure that would be the Community Design, the same as what happens with Trademarks. One single register that is fully valid in all 27 EU Member States and consequently also in Spain.

Its regulation also includes a sub-figure that could be of some interest: unregistered Community Design:

The design shall be protected against copies for a period of three years from the date when such drawing or model is made public for the first time within the Community, without the need for registration. In other words, identity is required between the unregistered design and product and the third party must not have reached the same solution through its own efforts. It must be a copy.

Just like in the case of Trademarks, there are International Designs that act as a legal figure for international presence that can reduce costs and simplify application requirements.

TIPS:

Despite the existence of the “unregistered community design”, protecting these designs that are commercially interesting is highly recommended.

It is possible to test the market's response to the design for this figure to register only those variants that arouse the greatest interest in the target public in complete collections.

Websites for further information:

www.oepm.es

www.euipo.eu

www.wipo.int

Basic regulations:

Law 20/2003

Regulation EU 6/2002

Hague Agreement on the International Registration of Industrial Designs and Models.

3- BUSINESS SECRET

The still new Law 1/2019 is somehow intended to provide protection to anything intangible that is not protected through any of the figures mentioned above, such as know-how, for example, which is not covered by the subject matter of a patent but that can facilitate its business exploitation

Rather than replacing, this legal rule instead complements the above and considers a business secret to be any information or knowledge, including technological, scientific, industrial, commercial, organisational or financial, which meets the following conditions cumulatively:

- a) **To be secret**, in the sense that, as a whole or in the precise configuration and assembly of its components, is not generally known to or easily accessible to anyone belonging to the circles in which the type of information or knowledge in question is normally used;
- b) **To have a business value**, whether real or potential, precisely because it is secret. In other words, it provides a competitive benefit to the company
- c) **To have been the subject of reasonable measures** by its holder **to keep it secret**

The title of this extra-registration protection belongs to the natural or legal person who legitimately exercises control over that secret. And this is the person who must give this matter some thought to determine what actually is secret, which also provides a benefit and, given the above circumstances, to take the necessary measures to maintain the secrecy.

Some of these necessary measures may include the following:

Signature of an NDA (confidentiality agreements) with suppliers, customers, external partners, etc.

Marking of correspondence and communications (with a watermark, for example) indicating its confidential nature.

Including confidentiality clauses in employment contracts.

TIPS:

The business secret does not replace industrial property. It intends to complement it for any content that is not covered by the same.

Attempting to protect an invention susceptible to patenting through the secret does not prevent its possible protection by third parties. Due to being secret, there is no prior disclosure that could nullify the requirement of novelty ergo the application of the third party will be able to access the registration.

Furthermore, if a third party also becomes aware of this due to lawfully breaking the secret (such as through observation or by reverse engineering) or because it is the result of its own research efforts, nothing can be done against that third party according to this rule.

Basic regulations:

Law 1/2009

Repealing Art. 13 of Law 3/1991.