



Trademarks

in 43 jurisdictions worldwide

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1 Ownership of marks

Who may apply?

Any person or entity can apply for a mark in El Salvador, regardless of nationality, domicile or establishment.

2 Scope of trademark

What may and may not be protected and registered as a trademark?

A trademark may consist of words or sets of words, including names of people, letters, numbers, monograms, figures, pictures, labels, shields, printings, fringes, lines and stripes, sounds, scents or combinations and dispositions of colours, as stated in our Trademark Act and in the Trademark Law Treaty (TLT), recently ratified by El Salvador. Trademarks may also consist of the form, presentation or preparation of products, or their packages or envelopes, or the corresponding means or premises of expended products or services (trade dress). Geographic indications may also be protectable as trademarks.

The following may not be protected and registered as trademarks for intrinsic reasons if:

- it consists of the usual or current form of the goods for which registration is sought, or their packaging, or a form that is necessary due to the nature of the goods or services;
- it consists of a form that gives a functional or technical advantage to the goods or services for which registration is sought;
- it consists of a common or usual name, term or designation of the goods or services in usual, technical, scientific or commercial language;
- it serves in trade to describe a characteristic of the goods or services;
- it is a simple, isolated colour;
- it is a letter or digit separately considered, unless represented in special and distinguishing form;
- it is contrary to morality or public order;
- it includes elements that offend or ridicule people, ideas, religions or national symbols of any country or international organisation;
- it could mislead or cause confusion as to the geographical origin, nature, method of manufacture, qualities, aptitude for use or consumption, amount or some other characteristic of the goods or services;
- it totally or partially reproduces or imitates the coat of arms, flag, emblem, denomination or abbreviation of denomination of any state or international organisation, without express consent;
- it totally or partially reproduces or imitates an official sign of control or guarantee adopted by a state or public organisation, without express consent;
- it reproduces currencies or bills of legal tender, titles or other documents, seals, stamps or fiscal stamps;
- it includes or reproduces medals, prizes, diplomas or other elements that suggest the goods or services have won an award, unless such an award has in fact been granted to the applicant or to its cause and this is duly credited;
- it consists of the name of a protected vegetal variety in El Salvador or abroad; or
- it is a certification mark whose registry is to expire, was annulled, cancelled or has been left unused by dissolution or disappearance of its owner. In such cases, no use or registration would be allowed during 10 years counted from the respective cancellation, annulment, dissolution or disappearance.

Additionally, a trademark may not be protected and registered if, upon examination, the Registrar of trademarks determines that it violates third-party rights – for example, if:

- it is identical or similar to a third party's mark registered or the subject of an application for goods or services related to those protected by a registered or pending mark, when that use may cause confusion;
- it has visual, phonetic, olfactory or conceptual similarity to a third party's mark or distinctive sign registered or filed previously, for goods or services related to those protected by a registered mark or one that is the subject of an application, where this may cause confusion;
- it is likely to cause confusion because it is identical or similar to a third party's trade name or emblem already used in El Salvador for similar commercial activities;
- it constitutes a full or partial reproduction, imitation, translation or transcription of a third party's well-known mark and that use may cause confusion or a risk of association with the third party's mark, or take unjust advantage of the notoriety of the well-known sign. The goods and services covered by the proposed registration need not be identical or similar to those identified by the well-known mark, but there must exist some connection between the respective parties' goods or services;
- it affects a third party's personality rights or consists, fully or partially, of a third party's name, signature, title, pseudonym or image, unless the third party or his or her heirs expressly grant consent;
- it affects the right to the name, image or reputation of a local, regional or national collective, unless consent is properly granted;
- it is likely to cause confusion with a pre-existing protected appellation of origin;
- it is likely to infringe a third party's copyright or industrial property rights, unless consent is granted; or
- it has been applied for in order to perpetrate or consolidate an act of unfair competition.

3 Obtaining a trademark

How long does it typically take, and how much does it typically cost to obtain a trademark registration?

The registration procedure takes approximately six to eight months if no Office action arises and its typical cost per mark in each class is approximately US\$500 to US\$600. Cost can vary depending on length of the notice for publication, which mandatorily lists the goods or services covered. Since El Salvador recently ratified the TLT, multi-class applications may now be filed. But the official fee charged by the Trademark Office per mark in each class if multi-class application has been filed is still the same as if a single application were filed. At this time multi-class applications are treated as individual class applications, so no real benefit is obtained from it, as of now.

4 Classification system

What classification system is followed, and what goods or services may be claimed?

Whatever is the current edition of the Nice Classification of Goods and Services. The ninth edition is currently in use. One can claim a limited list of goods or services, the class heading or an extensive list of goods or services that fall within the class of interest.

5 Conflicts with other trademarks

Are applications examined for conflicts with other trademarks? What is the procedure followed in the Trademark Office?

Yes. Applications are examined after filing to determine whether they fall in the criteria discussed in question 2. Once the application meets all formalities, an examining attorney conducts his examination based on his criteria and on a printed report of the Registry's database. If the mark passes the examination, it is admitted and a notice for publication is served to the applicant or its local counsel.

6 Use of a trademark and registration

Does use of a trademark or service mark have to be claimed before a registration is granted? Does proof of use have to be submitted? If registration is granted without use, is there a time by which use must begin to maintain the registration?

No use needs to be claimed for the granting of a registration. Proof of use would be submitted as a defence if a cancellation action for non-use has been filed in a mercantile court. No use is required for granting the renewal of a registered mark.

A cancellation action for non-use can be filed if the mark has not been used during five years after its registration date. This figure was reintroduced in 2006 and, considering that the law is not retroactive, the first cancellation actions for non-use cannot be filed until 2011.

7 Appealing a denied application

Is there an appeal process if the application is denied?

Yes. Upon denial of an application there are three recourses: revision, revocatory and appeal.

Revision recourse

Revision recourse is filed before the Registrar who issued the resolution three days after the denial resolution has been served. A hearing is held at the Registry of Intellectual Property, attended by the Registrar and the applicant or its local counsel.

Revocatory recourse

If the revision recourse's verdict is not favourable, during the revision hearing the applicant can verbally file a revocatory petition. A new

hearing will be held with the Chief Registrar, who will issue a verdict within eight days after the hearing is closed.

Appeal

If the verdict of the revision petition is not favourable, the applicant can file an appeal in writing before the Directorship of the Registry, within 30 business days. Upon admission of the appeal, the Directorship will provide 10 days to the parties for filing evidence. Afterwards the Directorship will issue its verdict.

8 Third parties

May a third party oppose registration or seek cancellation of a trademark or service mark? What are the procedures?

Yes. Any third party that has a legitimate interest over a mark and considers that its right can be affected by an application can oppose its registration.

The procedure is as follows:

- Once the notice is published in the Official Gazette, any interested party can oppose within two months after the first publication.
- The opposing party is granted two months for filing evidence, after filing the opposition.
- The Registry examines the opposition and if it complies with the legal formal requirements it is admitted.
- Once the opposition is admitted, the applicant is served and granted two months to answer the opposition.
- Once the opposition is answered, the Registry will rule either accepting or rejecting it.
- An appeal can be filed against such a resolution.

A trademark can be cancelled through a judicial action as follows:

- For the judicial district of San Salvador, the action is filed at the Complaint Distribution Office, which within a week will send it to one of the five mercantile courts. For other judicial districts, the action shall be filed before a court with mercantile jurisdiction.
- Once the complaint is received by the mercantile court, it is examined and, if it complies with all the legal formal requirements, it is admitted. If requested by the plaintiff, the court can issue a notice to the Registry of Intellectual Property ordering the recordal of the cancellation action filed. Such recordal would freeze any assignment of the mark. It is at the discretion of the mercantile judge to request the plaintiff to render a judicial bond to cover any damages to the defendant, should the claims not be sustained. Up to this point the procedure is ex parte and normally takes one to three months. If the plaintiff disagrees with the bonded amount, he can file an appeal.
- Once the judicial bond is filed, the defendant is served and granted three days to answer the complaint. If there is no answer, a request can be made to the judge to continue the trial without any further service of resolutions until the final verdict is issued. If he answers, the defendant is considered as party to the case. All this takes about one month.
- Both parties are then served with a resolution opening the process to eight days evidence phase.
- A final verdict is issued either cancelling the mark or denying cancellation.
- An appeal can be filed against the final verdict.

9 Duration and maintenance of registration

How long does a registration last and what is required to maintain a registration?

Trademarks are protected for 10 years, renewable every 10 years. The law governs trade names, emblems (house marks) and expressions

or signs of commercial advertising, all of which are protected indefinitely once registered, subject only to the existence of the mark or company they refer to.

10 The benefits of registration

What are the benefits of registration?

The only way to have benefits for a trademark is through a registration. The mere use of a mark does not generate any rights. Registered marks grant the following benefits:

- The right to execute legal actions against third parties that reproduce, apply, adhere or modify the mark in any way, as long as it is considered identical to the registered mark, for the products for which it has been granted, on their packaging, bottles, etc, on other products that have been manufactured, modified or treated by services for which the mark was registered.
- The right to execute legal actions against third parties that suppress or modify the mark for commercial uses after its owner or an authorised person, has applied, adhered or fixed it on the products.
- The right to execute legal actions against third parties for the manufacturing of labels, bottles, packaging and other analogue materials that reproduce or contain the mark, as well as against those who commercialise them.
- The right to execute legal actions against third parties who refill or reuse with commercial purpose bottles, and packaging bearing the mark.
- The right to execute legal actions against third parties who use in commerce an identical or similar trademark for any products or services when such use can create confusion or a risk of association with the owner of the registered trademark, under the understanding that if the use of identical trademarks for identical products or services is made, a legal presumption of confusion will be enforced.
- The right to execute legal actions against third parties who publicly use an identical or similar trademark, even if the use is without commercial purposes, when such use can cause dilution of the distinctive force of the trademark, its commercial value, publicity value, or takes an unfair advantage of its fame.
- In the case of licensed products, the right to take legal actions against third parties who use such products to commercially associate them with the owner's advertising, promotions, trademark or establishment.
- The right to take legal actions against any act that may affect the ownership over the trademark.

11 Assignment

What can be assigned? Trademark with goodwill? Without goodwill? All or some of the goods and services? Must other business assets be assigned to make it a valid transaction?

All the rights derived by the ownership of the trademark may be assigned. Trademarks with goodwill and without goodwill may be assigned.

The owner of the mark is allowed to assign some or all the goods or services protected by a mark and reserve the rights over the goods or services not assigned. Prior to partial assignment, the registrant must follow a trademark division procedure to separate under different registrations the goods or services to be assigned.

Trade names can only be transferred along with the company or the establishment that uses it or with the part of the company or establishment that uses it.

12 Assignment documentation

What documents are required?

The required documents are the assignment document executed by the parties, duly notarised and legalised up to the nearest Consulate of El Salvador or, alternatively, up to Apostille.

13 Validity of assignment

Must the assignment be recorded for validity?

Yes. According to the Trademark Law all changes of name, assignments, changes of domicile, etc must be recorded against each mark.

14 Security interests

Are security interests recognised?

Yes. It is not, however, common practice in El Salvador to guarantee financial activities such as loans, because there is no legal regulation to that end.

15 Markings

What words or symbols can be used to indicate trademark use or registration? Do these words or symbols have to be used? What are the benefits of using them and the risks of not using them?

Use of marking symbols is not mandatory. However, if the owner wishes to use markings, the ® or ™ or other similar markings indicating that a trademark is registered are perfectly acceptable.

16 Trademark enforcement proceedings

What types of legal or administrative proceedings are available to enforce trademark rights against an infringer, apart from previously discussed opposition and cancellation actions? Are there specialised courts or other tribunals? Is there any provision in the criminal law regarding trademark enforcement?

The following legal actions can be taken.

Closure of borders to infringing goods

By petitioning the Customs Authority to close the borders to probable imports of counterfeited goods. The Authority will deny entrance to the country to such goods at land, port and airport borders and will notify the petitioner, granting him or her 10 days to file a complaint before a mercantile court or a court with mercantile jurisdiction.

Criminal actions based on trademark infringement

By filing a complaint before the General Attorney's Office, an investigation is initiated. Once the investigation is completed, a justice of the peace can issue a seizure order, in which all counterfeited products bearing the trademark are put at the judge's disposal. After three different hearings before three different judges, a verdict is issued. If the counterfeiting party is found guilty, the products are destroyed or donated, after de-labelling.

Unfair competition action

If a party is deviating clientele, diluting a trademark, etc, an unfair competition action can be filed before a mercantile court. Such action will result in the prohibition of the unfair competition conduct and can include preliminary injunctions against infringing goods.

17 Procedural format and timing

What is the format of the infringement proceeding? Is discovery allowed? Live testimony? Experts? Who decides the case? How long does the proceeding typically last? If there is a criminal enforcement mechanism, what is that procedure?

The format and timing of a criminal procedure against the infringement of a trademark are as follows:

- A complaint is filed before the General Attorney's Office.
- The General Attorney's Office examines the complaint and can issue an office action, dismiss it or order an investigation (one month).
- Once the investigation is concluded, the General Attorney's Office requests from a justice of the peace the issuance of a seizure order, accompanied by the evidence gathered in the investigation (one month).
- Once the seizure is made in the infringing party's establishment, the products are put at the judge's disposal, and the District Attorney's Office, the plaintiff (victim) and the defendant are summoned to attend the first hearing (one month).
- In the hearing the parties involved may file any evidence. In the first hearing the judge will only decide whether the actions taken by the General Attorney's Office are legal and whether the trial should continue to a second hearing. An opportunity to settle the case is granted by the judge to the parties.
- The second hearing is scheduled (one month).
- At the second hearing an instruction judge will review the evidence provided and will decide if the trial should continue to the public hearing.
- The public hearing is scheduled (one month).
- At the public hearing, all evidence is discussed, witness and expert testimony is taken and the judge issues the final verdict.
- The judge then issues a resolution ordering the destruction or donation of the infringing goods.

The format and timing of a 'closing of borders' procedure for the infringement of a trademark are as follows:

- A complaint is filed before the mercantile court or a court with mercantile jurisdiction, requesting an order to close the borders to suspected infringing goods.
- The mercantile court admits the complaint and issues an order to the Customs Authority, to detain any products bearing the infringed mark and destined to other than the authorized distributor(s) (one month).
- Once a third party tries to import the products, the Customs Authority detains these and notifies the trademark owner, granting a 10-day term to file a complaint before the mercantile court for unfair competition or before a criminal court for trademark infringement.

The format and timing of an unfair competition action for the infringement of a trademark are as follows:

- For the judicial district of San Salvador, the action is filed at the Complaint Distribution Office, which within a week will send it to one of the five mercantile courts. For other judicial districts, the action shall be filed before a court with mercantile jurisdiction.
- Once the complaint is received by the mercantile court, it is examined and if it complies with all the legal formal requirements it is admitted. If requested by the plaintiff, the court can issue preliminary injunctions, including the seizure of infringing goods. It is discretionary of the mercantile judge to request the plaintiff to render a judicial bond to cover any damages to the defendant, shall the claims can not be sustained. Up to this point the procedure is ex parte and normally takes one to three

months. If the plaintiff disagrees with the bonded amount, he or she can file an appeal.

- Once the judicial bond is filed, the defendant is served and granted three days to answer the complaint. If there is no answer a request can be made to the judge to continue the trial without any further service of resolutions until the final verdict is issued. If he or she answers, the defendant is considered as party to the case. All this takes about one month.
- Both parties are then served with a resolution opening the process to eight days evidence phase.
- A final verdict is issued either declaring the existence or non-existence of unfair competition acts and ordering the destruction or donation of infringing goods, after de-labelling or the return of the goods.
- An appeal can be filed against the final verdict.

18 Burden of proof

What is the burden of proof to establish infringement or dilution?

To determine infringement, the trademark owner must prove the ownership of the mark and its use by the unauthorised party.

To determine dilution, the trademark owner must prove the public use of the identical or similar mark, even if the use is not for commercial purposes, if such use can cause dilution of the distinctive force of the trademark and its commercial or advertising value is affected or if an unfair advantage is earned from its use.

19 Standing

Who may seek a remedy and under what conditions? Who has standing to bring a criminal complaint?

The trademark owner can file a criminal complaint and seek a remedy.

A licensee must report to the trademark owner about the infringement and request him or her to initiate enforcement actions. If 30 days lapse without reply, the licensee becomes authorised by law to initiate such actions.

20 Foreign activities

Can activities that take place outside the country support a charge of infringement or dilution?

No.

21 Discovery

What discovery devices are permitted for obtaining evidence from an adverse party, from third parties, or from parties outside the country?

There are no discovery devices used for obtaining evidence. All evidence is filed during the evidence phase granted in the judicial procedure, in which the parties may review the content of the evidence filed.

22 Timing

What is the typical time frame for an infringement or dilution action, at the trial level and on appeal?

At the trial level for a criminal infringement action, the typical time to reach a verdict is six months to one year.

At the trial level for an unfair competition action, the typical time to reach a verdict is six months to one year.

At the appeal level of a final verdict for both criminal and mercantile actions, the typical time is six months to one year.

23 Litigation costs

What is the typical range of costs associated with an infringement or dilution action, including trial preparation, trial and appeal?

The typical range of costs associated with a criminal infringement action is US\$10,000 to US\$20,000, depending on its complexity.

The typical range of costs associated with a cancellation action, unfair competition action, etc, is US\$15,000 to US\$25,000.

24 Appeals

What avenues of appeal are available?

In the mercantile circuit

An appeal may be filed against the final verdict. The appeal is filed before the mercantile court, which admits it and sends the file to the Civil Chamber, which in turn will grant six days to file arguments and 10 days to file evidence. Afterwards the Civil Chamber issues the final verdict.

In the criminal circuit

An appeal can be filed against the final verdict of any of the hearing verdicts. Once it is admitted, a hearing is scheduled. If one of the parties offers to file evidence, they will do so at the hearing and the verdict of the appeal will be issued at that time.

25 Defences

What defences are available to a charge of infringement or dilution?

A party charged with trademark infringement or dilution, can argue in its defence:

- prior ownership of the trademark rights;
- innocent infringement; or
- statute of limitations.

26 Remedies

What remedies are available to a successful party in an action for infringement or dilution? How is monetary relief apportioned? Is injunctive relief available, preliminarily or permanently, and in what circumstances and under what conditions? What criminal remedies exist?

Monetary relief can be requested for damages caused to the legitimate owner of the trademark.

Damages are estimated through any of the following criteria:

- based on the damages caused to the owner of the trademark due to the infringement;

Update and trends

Recently, El Salvador ratified the Trademark Law Treaty, which entered into effect on 12 June 2008. One of the changes that this Treaty brings to Salvadoran Trademark Law is the filing of multi-class applications for trademarks. However, since this is a new procedure that has never been applied in El Salvador, the Registry of Intellectual Property is not sure how to process multi-class applications for the benefit of the applicant, nor how to apply a differentiated fee per additional class, the number of certificates to be issued per class, the registrations numbers to be designated depending on the number of classes and other relevant issues. At this time they will issue separate certificates of registration per class for a multi-class application. In other words, even though a single 'multi-class' application can be filed, each class is treated as a separate and individual procedure.

- based on the benefits that the owner would have earned, if the infraction had not taken place; or
- based on the price or fee that the infringing party would have paid to the owner of the trademark, if a licence agreement would have been granted or based on the price or fee of prior license agreements granted to other parties.

In the cases of unfair competition, the mercantile judge is obliged by law to inform the General Attorney's Office of the final verdict, and the General Attorney's Office is obliged by law to initiate a criminal action based on trademark infringement.

Yes, preliminary injunctive relief is available to protect evidence and the trademark rights. Preliminary injunctive relief can include seizure of the infringing goods, packaging and labelling materials plus manufacturing apparatus, except for printing presses, which cannot be seized under any circumstances, according to the Constitution. Preliminary injunctive relief becomes permanent in the final verdict.

27 ADR

Are ADR techniques available and commonly used? What are the benefits and risks?

ADR techniques available are mediation, conciliation and arbitration. A special law regulates them but they are not commonly used. One of the main benefits is that arbitration must be conducted and ruled on within a maximum of 90 days.



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