(S. B. 1827)

(No. 124-2011)

(Approved July 12, 2011)

AN ACT

To add a new subsection A, amend subsections F, H, and J, renumber subsections A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, and R, as subsections B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, and S, respectively, in Section 2; amend Section 4; amend subsection 8 of Section 5; amend subsection B of Section 7; amend Sections 27, 28, 29, and 32 of Act No. 169 of December 16, 2009, known as the “Government of Puerto Rico Trademark Act,” in order to clarify provisions of the Act related to its scope and applicability; and for other purposes.

STATEMENT OF MOTIVES

Act No. 169 of December 16, 2009, known as the “Government of Puerto Rico Trademark Act,” incorporates elements of our previous trademark scheme, of its federal counterpart known as the Lanham Act, 15 U.S.C. 1051, et seq., and the “Model State Trademark Act,” into a progressive statute which protects intellectual property rights in Puerto Rico. Said Act grants additional rights and renders the legal framework applicable to the trademark registration process implemented under this Act more flexible in order to further the public policy of the Government of Puerto Rico related to the endorsement and the development of the economy of the Island. These technical amendments seek to clarify and correct various provisions contained in the aforementioned Act in the interest of furthering and implementing its purposes.
The amendments to the definitions in Section 2 reincorporate the concept of the deposit of a Certificate of Registration issued by the United States Patent and Trademark Office, thus enabling the local advertisement of marks that are protected under the federal law in our jurisdiction. Moreover, the amendments to this Section have the purpose of clarifying the definition of “trademark,” “certification mark” and “abandoned mark”. Lastly, subsections in Section 2 are hereby renumbered in order to keep the alphabetical order of the definitions contained in such Section, in accordance with the new subsection A.

On the other hand, the Government of Puerto Rico Trademark Law, unlike its Federal counterpart, allows the registration and protection of a trademark that have not yet been used in the market of Puerto Rico, while a business plan is developed to introduce a new product or service in this market. The amendment to Section 4(B) has the effect of making this important remedy available to prevent the imposition of restrictions on commerce through monopolizing practices, as it would be the case, for instance, of a business person who uses the registry indiscriminately and irresponsibly of the rights of the trademark system, imposing the use of a trademark in Puerto Rico, even though such individual is not marketing any product or service identifiable with such mark. Consequently, the period of protection for a mark that is not in use is reduced from five (5) to three (3) years, provided that prior to the expiration of the three (3)-year term, the registrant files an affidavit attesting to the use thereof, with the option of requesting a one (1) year extension insofar as he/she provides evidence that the lack of use thereof is for just cause. Such application for extension shall be filed within the initial three (3) years. Such period is consistent with the rebuttable presumption of abandonment set forth in Section 2 of the Act, regarding the registered mark that has not been in use for three (3) years.
The amendment to Section 9 clarifies the registration process, since it provides that the applications for registration of marks shall be subject to a classification process before their registration.

The amendments to subsection 8 of Section 5 and to Section 26 expressly reincorporate a basic concept under the trademark law by clarifying that the “probability of confusion,” whether with a registered mark or with a mark in use in Commerce in Puerto Rico, prevents access to the registry and allows the owner of the already registered trademark or mark in use, and/or any other person authorized in writing by such owner, to request an injunction, seizure order, an action for damages, and/or any other remedy available under the law.

The amendments to Sections 27, 28, and 29 seek to clarify the remedies available to any party damaged as a result of a false designation of origin or false description, by dilution of the distinctive nature of a famous mark or for violations of trademark law by the use of domain names, as well as to clarify that the availability of the remedy corresponding to statutory damages is limited to the violation of the right over a registered mark. This is consistent with the purposes of promoting the registration of marks in Puerto Rico, provided that it serves as incentive or additional remedy to the principal registrant of the mark. This also benefits any person who may, in good faith, commit a violation of an unregistered mark, and therefore, not published. The publication of the registration of the mark equals a notice to third parties regarding the ownership of the mark. Thus, there shall not be a presumption of a third party’s knowledge about the ownership of a mark, if such mark has not been published.
Finally, the provisions of Sections 18, 19, and 32 regarding the registration processes are hereby clarified, so that the registration requirements for both marks registered under Act No. 169 of December 16, 2009, known as the “Government of Puerto Rico Trademark Act,” and marks registered under the former statute are clarified.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF PUERTO RICO:**

Section 1.- A new subsection A is hereby added; subsections F, H, and J are hereby amended, and subsections A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, and R are hereby renumbered as subsections B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, and S, respectively, of Section 2 of Act No. 169 of December 16, 2009, known as the “Government of Puerto Rico Trademark Act,” to read as follows:

**“SECTION 2.- DEFINITIONS**

A. **U.S. Deposit:** Any deposit of Certificates of Registration of Trademarks issued by the United States Patent and Trademark Office (Federal Register), also known as “Deposit U.S.,” that registers in the Trademark Registry of the Department of State of the Commonwealth of Puerto Rico and whose purpose is to advertise the existence of such Federal Register to third parties.

B. …

C. …

D. …

E. …

F. …

G. **Trademark:** any word, name, symbol, trade dress, medium, logo, design, color, sound, scent, shape, object, or any combination thereof that:

1) …
Any natural or juridical person has a bona fide intention to use in Commerce and applies for registration thereof; and serves to distinguish his/her business, commercial organization, or goods from the goods manufactured or sold by another and to indicate the source of the goods regardless of whether the source is unknown.

H. ... 

I. **Certification Mark**: any word, name, symbol, trade dress, medium, logo, design, color, sound, scent, shape, object or any combination thereof that is used to certify the origin, material, mode of manufacture, quality, accuracy, or other common characteristics of such goods or services marketed under the same and that:

1) is used in Commerce by a person other than its owner or holder; or

2) which its owner or holder has a bona fide intention to permit a person other than the owner or holder to use in Commerce and files an application to register the same.

J. ... 

K. **Abandoned Mark**: refers to a Mark whose use in Commerce in Puerto Rico has been discontinued with the intent to not resume such use or whose significance as a distinctive of the goods and services from the same source has been lost.

A Mark is deemed to be abandoned when:

1) its use has been discontinued with intent not to resume such use. Intent not to resume may be inferred from circumstances. Nonuse for three (3) consecutive years shall constitute prima facie evidence of the intent to abandon the Mark; or
2) the course of conduct of the owner or holder, including acts of omission, as well as commission, cause the Mark to become generic or to otherwise lose its significance or its referential nature as a mark.

L. ...
M. ...
N. ...
O. ...
P. ...
Q. ...
R. ...
S. ...

Section 2.- Section 4 of Act No. 169 of December 16, 2009, known as the “Government of Puerto Rico Trademark Act,” is hereby amended to read as follows:

“SECTION 4.- REGISTRATION OF TRADEMARKS

A. ...
B. Marks Not in Use:
   ...
   ...

Within three (3) years counted as of the date of filing the application for registration of a Mark not in use in Commerce in Puerto Rico, as a condition to keep such registration in effect, the principal registrant shall attest under penalty of perjury and with proof of use that he/she began to use and is using such Mark in Commerce in Puerto Rico. After the abovementioned three (3)-year period has elapsed, if the principal registrant has failed to attest under penalty of perjury to the use of the Mark in Commerce in Puerto Rico, such registration shall be cancelled.
Notwithstanding the foregoing, the principal registrant of a Mark not in use may apply, prior to the expiration of the three (3)-year term and for just cause, an extension of up to one (1) year to attest to the use required under this subsection B, as provided by the Secretary through regulations.”

Section 3.- Subsection 8 of Section 5 of Act No. 169 of December 16, 2009, known as the “Government of Puerto Rico Trademark Act,” is hereby amended to read as follows:

“Section 5.- Unregisterable Marks.

No trademark which consists of the following shall be registered:

1. ... 

3. A name, portrait, or signature identifying a particular living individual, except by his written consent. This provision shall not apply to surnames, except in the case that a particular individual is only known by his surname. Likewise, no trademark shall be registered which is primarily a surname, unless it has acquired distinctiveness by secondary meaning.

8. An equal or similar mark that is likely to cause confusion as to the source of the goods or services with another mark registered or used in Commerce in Puerto Rico by another person and which is used or intended to be used for goods or services equal or similar to those of a mark already registered or previously used in Commerce in Puerto Rico.

9. ...”

Section 4.- Subsection B of Section 7 of Act No. 169 of December 16, 2009, known as the “Government of Puerto Rico Trademark Act,” is hereby amended to read as follows:
“SECTION 7.- FILING OF APPLICATION

B. If the registration of the mark is approved, the Secretary shall notify the applicant for the latter to publish, once (1) in a newspaper of daily general circulation in Puerto Rico or in any other media outlet, as provided by the Secretary through regulations, a public notice stating the intent to register the mark. The public notice shall contain the name of the applicant, address, name of the mark, code of the class under which the application is filed, and a warning stating that any person injured by the application for registration shall have thirty (30) days to oppose to the same, following the process to be established by the Secretary.”

Section 5.- Section 9 of Act No. 169 of December 16, 2009, known as the “Government of Puerto Rico Trademark Act,” is hereby amended to read as follows:

“SECTION 9.- CONFLICT

When two (2) or more applications for registration are object of qualification and are in conflict because of their similarity, the Secretary shall decide which one shall be registered and give notice of his/her decision to the affected party.

…”

Section 6.- Section 18 of Act No. 169 of December 16, 2009, known as the “Government of Puerto Rico Trademark Act,” is hereby amended to read as follows:

“SECTION 18.- DECLARATION OF USE AS A CONDITION FOR THE REGISTRATION TO CONTINUE IN FORCE

Every principal registrant shall file an affidavit stating that the Mark is in use in Commerce in Puerto Rico, along with a specimen or specimens, in the form and number prescribed by the Secretary through regulations. The declaration of use referred to in this Section shall be filed once between the fifth (5th) and sixth (6th)
years, but not later than the sixth (6th) year after the filing date of the application for registration, as an essential requirement to maintain the registration in effect. If the principal registrant fails to file the affidavit after the six (6)-year period has elapsed, such registration shall be cancelled.

However, if the declaration of use and the corresponding evidence of use are not filed before the expiration of the six (6)-year term established herein, the principal registrant may file such declaration upon payment of a fee provided by the Secretary through regulation, provided that it is filed within six (6) months immediately following the expiration of such term. Once this term elapses, the registry shall be cancelled.

The provisions in this Section do not apply to registrations made under Act No. 63 of August 14, 1991, as amended.”

Section 7.- Section 19 of Act No. 169 of December 16, 2009, known as the “Government of Puerto Rico Trademark Act,” is hereby amended to read as follows:

“SECTION 19.- RENEWAL OF A MARK REGISTRATION

Every mark registration shall remain in effect for ten (10) years after the filing date of the application for registration, provided that the requirements of this Act are met. Registration of a mark may be renewed from time to time for a like term. The principal registrant shall file an application as prescribed and provided by the Secretary through regulations. The renewal application shall be filed at any time within the year preceding the date of expiration of the ten (10)-year term for which the mark registration was originally issued or within the year next preceding the date of expiration of each ten (10)-year term for which the mark registration is renewed. The application for renewal of mark registration provided for in this
Section shall be filed along with an affidavit, as well as a specimen or specimens in the form and number provided by the Secretary through regulations, stating that the mark is in use in Commerce in Puerto Rico.

However, after the aforementioned ten (10)-year term has elapsed, the principal registrant may file the application for renewal referred to in this Section within six (6) months after the expiration of such term, by paying the fees provided by the Secretary through regulations. After said term has elapsed, the registration shall be cancelled.

If the Secretary refuses to renew a mark, he/she must notify the affected party stating the reasons for such refusal.”

Section 8.- Section 20 of Act No. 169 of December 16, 2009, known as the “Government of Puerto Rico Trademark Act,” is hereby amended to read as follows:

“SECTION 20.- CANCELLATION OF A REGISTERED MARK

A. Any person who believes that he/she has been damaged by the registration of a mark, including damage by dilution of the distinctive nature of a mark under Section 28 of this Act, may request the Secretary to cancel said registration. Except as provided in subsection (C) of this Section 20, the Secretary shall only cancel a registration when a petition stating the grounds relied upon filed under oath has been timely submitted under any of the following grounds:

1. Within five (5) years from the date of the registration of a mark.
2. At any time, if:
   a) the registered mark has been abandoned;
   b) the registered mark is functional;
   c) the registration was obtained fraudulently or contrary to the provisions of subsections (1) or (2) of Section 5 of this Act;
d) the registration was obtained even though the mark consists of or includes a name, portrait, or signature identifying a living natural person, except by his written consent.

e) the registered mark has become the generic name for the goods or services or a portion thereof for which it was registered with respect to which the cancellation is requested; or

f) the registered mark is being used by or with the permission of the principal registrant so as to misrepresent the source of the goods or services on or in connection with which the mark is used.

3. At any time, in the case of a certification mark, if the principal registrant:

   a) does not control or is not able legitimately to exercise control over the use of such mark; or

   b) engages in the production or marketing of any goods or services to which the certification mark is applied; or

   c) permits the use of the certification mark for purposes other than to certify; or

   d) discriminatorily refuses to certify or to continue to certify the goods or services that meet the quality corresponding to such certification mark.

B. The five (5)-year term set forth in subsection (A)(1) of this Section 20 is an expiration term whose noncompliance impairs the cancellation of a registration, except as provided in subsections (A)(2), (A)(3), and (D) of this Section 20.
C. Once a petition to cancel a registration is filed it shall be granted in accordance with procedure established by the Secretary for such purposes through regulations.

D. The Secretary shall also cancel the registration of a mark in the following cases:

1. Any registration for which the voluntary cancellation thereof was requested;

2. Any registration not in use, to which the use of the mark was not attested, pursuant to Section 4(B) of this Act;

3. Any registration not renewed pursuant to Section 19 of this Act;

4. Any registration with respect to which a Court with competent jurisdiction has found:
   a. That the cancellation of the registered mark proceeds under subsections (A)(2) or (A)(3); or
   b. That the use of the registered mark infringes a valid right acquired through the registration of a mark in the Principal Register set forth in the Lanham Act, provided, that such right is effective in Puerto Rico through the use of such mark in Commerce and subject to the remedies to which the principal registrant may be entitled.

E. The right of the principal registrant of a mark to use such mark in Commerce for or in connection to the goods or services with which such registered mark is still in use in Commerce and has been in continuous use in Commerce, for five (5) consecutive years subsequent to the date of registration, shall be incontestable, provided that the requirements set forth in subsection (1) and the defenses established in subsection (3) of this Section 20(E) are met.
1. a. There has been no final decision adverse to the claim of ownership of such mark for or in connection to such goods or services, or to the principal registrant’s right to register the same or to keep the same on the register;

       b. There is no proceeding involving said rights on such mark pending in the Register or in a court and not finally disposed of;

       c. An affidavit is filed within one (1) year after any period of five (5) consecutive years of continuous use subsequent to the date of registration of the mark, setting forth those goods or services stated in the Certificate of Registration, on or in connection with which such registered mark has been in continuous use in Commerce for five (5) consecutive years and is still in use in Commerce, and other matters specified in paragraphs (a) and (b) above;

       d. Payment of fees as prescribed by the Secretary through regulations; and

       e. No incontestable right shall be acquired in a mark which is the generic name for the goods or services or a portion thereof, for which it is registered.

2. To the extent that the registration of the mark has become incontestable, the registration shall be conclusive evidence of the validity of the registered mark and the registration of the mark; of the principal registrant’s ownership of the mark, and of the principal registrant’s exclusive right to use the registered mark in Commerce. Such conclusive evidence shall relate to the exclusive right to use the registered mark on or in connection with the goods or services specified in the declaration of incontestability, subject to any subsequent limitations in the registration, and subject to any conditions or limitations in the registration or in such declaration of incontestability.
3. The conclusive evidence of the exclusive right to use the mark may only be counteracted if trademark infringement is proven, and one of the following defenses:

   a. That the cancellation of the registration of the incontestable mark applies under subsection (A)(2) or (A)(3) of this Section;

   b. That the incontestable right to use the mark was obtained fraudulently;

   c. That the use is a non-trademark use of the registered and incontestable mark to describe the goods or services of the alleged offender or their geographic origin;

   d. That the use of the registered and incontestable mark infringes an acquired right and not abandoned by the use in Commerce of a mark prior to the date of the first use and the date of registration of the registered mark. When this defense applies, the Court shall determine the rights of the parties pursuant to the equitable principles and the purposes of this Act, including, for example, if the owner of the registered mark acted in good or bad faith, if the first user committed laches, and to what extent the marks may coexist with set limitations to avoid the probability of confusion.

   e. That the use of the registered and incontestable mark infringes a previous right acquired by the registration of a mark in the Principal Register set forth in the Lanham Act, provided that such right is valid in Puerto Rico by the use of such mark in Commerce and subject to the defenses of the holder of the registered and incontestable mark provided by law;

   f. That the registered and incontestable mark has been or is being used to violate the antitrust laws;
g. That equitable principles, including laches, estoppel, and acquiescence, are applicable; or

h. The provisions regarding the incontestability of a mark set forth in this Section 20(E) shall apply to all the registered marks, upon meeting all the requirements set forth in this Section 20(E).”

Section 9.- The first paragraph of Section 26 of Act No. 169 of December 16, 2009, known as the “Government of Puerto Rico Trademark Act,” is hereby amended to read as follows:

“SECTION 26.- TRADEMARK LAW VIOLATIONS AND REMEDIES

Any person who, without the consent of the principal registrant or owner of a mark, reproduces, forges, copies, imitates, uses or attempts to use any mark identical or similar to a mark registered under this Act, or used in Commerce in Puerto Rico before being used by such person, which is likely to cause confusion or deceive as to the origin of the goods or services or as to sponsorship or association, shall be held liable in civil action by the principal registrant or owner and/or the person authorized by the mark owner in writing, any of which may file a lawsuit against such person and request an injunction, a seizure order, an action for damages, and/or any other remedy provided for by law.

...”

Section 10.- Section 27 of Act No. 169 of December 16, 2009, known as the “Government of Puerto Rico Trademark Act”, is hereby amended to read as follows:

“SECTION 27.- FALSE ORIGIN DESIGNATION OF ORIGIN AND FALSE DESCRIPTION

A. ...

1. ...
2. In commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his/her or another person’s goods, services, or commercial activities, shall be held liable in civil action by any person who was injured as a consequence of such acts.

3. The injured person shall have right to the applicable remedies under Section 26 of this Act.”

Section 11.- Section 28 of Act No. 169 of December 16, 2009, known as the “Government of Puerto Rico Trademark Act,” is hereby amended to read as follows:

“SECTION 28.- DILUTION OF THE DISTINCTIVE NATURE OF FAMOUS MARKS

Any person who, without the consent of the owner of a famous mark uses such mark or a term that is substantially similar thereto in Commerce in Puerto Rico, shall be subject to an injunction if the use of such famous mark or substantially similar term is likely to cause dilution by blurring or dilution by tarnishment of the famous mark, even when the goods or services are different, or there is no likelihood of confusion between such marks, or there is no financial injury. In such cases in which the owner of the famous mark further proves that the defendant had the intention of causing dilution of the famous mark or of taking advantage of its distinctive nature, the owner of the famous mark shall also be entitled to the remedies established under Section 26 of this Act.

...  
...”
Section 12.- Section 29 of Act No. 169 of December 16, 2009, known as the “Government of Puerto Rico Trademark Act,” is hereby amended to read as follows:

“SECTION 29.- VIOLATION OF TRADEMARK RIGHT WITH DOMAIN NAMES
A. …
…
D. In any civil action involving the registration, marketing, sale, purchase, license, loan, assignment or use of a domain name under this Section, the Court may order the forfeiture or cancellation of the domain name or the transfer of the domain name to the owner of the mark. The owner of the mark shall also be entitled to the remedies set forth in Section 26 of this Act.”

Section 13.- Section 32 of Act No. 169 of December 16, 2009, known as the “Government of Puerto Rico Trademark Act,” is hereby amended to read as follows:

“SECTION 32.- TEMPORARY PROVISIONS
The procedural provisions contained in Act No. 169 of December 16, 2009, and in this Act regarding the process of classification, examination, maintenance, and/or renewal of the trademark registration, shall apply to any application for registration of a mark submitted after the effective date of Act No. 169.

Notwithstanding the foregoing, any provision of this Act, whether substantive or procedural, that may, in any way, benefit the principal registrant or owner of a mark, may be claimed in due time by such principal registrant or owner of the mark as of the effective date of this Act.”

Section 14.- This Act shall take effect immediately after its approval.
I hereby certify to the Secretary of State that the following Act No. 124-2011 (S. B. 1827) of the 5th Regular Session of the 16th Legislative Assembly of Puerto Rico:

AN ACT to add a new subsection A, amend subsections F, H, and J, renumber subsections A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, and R, as subsections B, C, D, E, F, G, H, I, J, I, K, L, M, N, O, P, Q, R, and S, respectively, in Section 2; amend Section 4; amend subsection 8 of Section 5; amend subsection B of Section 7; amend Sections 27, 28, 29, and 32 of Act No. 169 of December 16, 2009, known as the “Government of Puerto Rico Trademark Act,” in order to clarify provisions of the Act related to its scope and applicability; and for other purposes.

has been translated from Spanish to English and that the English version is correct.

In San Juan, Puerto Rico, on this 30th day of January, 2015.

Juan Luis Martínez Martínez
Acting Director