

# Intellectual Property Transactions in Spain: Overview

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A guide to intellectual property transactions law in Spain. The Q&A gives an overview of IP assignment and licensing, research and development collaborations, IP and M&A transactions, lending and taking security over IPRs, settlement agreements, employees and IP, competition law, tax, and non-tariff trade barriers.

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## IP Assignment

### Assignment Basis and Formalities

1. On what basis can the main IPRs be assigned? What formalities apply?

### Patents

**Basis for patent assignment.** Under the Patent Law 24/2015, granted patents and patent applications can be transferred by any means recognised by law.

Although they can belong jointly to several persons, granted patents and patent applications cannot be assigned in part.

**Formalities for patent assignment.** Under the Patent Law, a patent assignment must be in writing except in cases of assignment by cause of death (*mortis causa*). If the assignment is granted by contract, it must be signed by both parties (Royal Decree 316/2017 approving Regulation for the implementation of the Patent Law).

To be effective against bona fide third parties, a patent assignment must be registered in the Patent Register of the Spanish Patents and Trademark Office (SPTO).

Registration does not require a specific timeframe. However, no rights can be invoked against third parties in relation to patent applications or patents that are not duly registered in the Patent Register. Further, only holders of registered rights can refer to a patent application or a patent on their products.

### Utility Models

**Basis for utility model assignment.** Utility models can be assigned under the same conditions as patents (see above, *Patents*).

**Formalities for utility model assignment.** Formalities for utility model assignments are the same as those for patents (see above, [Patents](#)).

## Trade Marks

**Basis for trade mark assignment.** Under the Trade Mark Law 17/2001, registered trade marks and trade mark applications can be assigned in whole or part (that is, for some or all the goods and services for which the trade mark enjoys protection). However, an assignment cannot be limited for a specific territory.

Trade marks can be assigned with or without goodwill by agreement between the parties.

**Formalities for trade mark assignment.** If a trade mark assignment is by contract, it must be in writing and signed by both parties.

Under the Trade Mark Law, for a trade mark assignment to bind bona fide third parties, it must be registered in the SPTO Trade Mark Registry. No specific timeframe applies for registration of a trade mark assignment.

## Copyright

**Basis for copyright assignment.** Exploitation rights for copyright can be assigned in whole or part.

A copyright assignment is limited to the exploitation right(s), means of exploitation of the work, time period, and territorial scope expressly determined in the assignment agreement.

Failure to specify these issues means that the assignment is limited to five years, to the country in which the transfer is made, and to the means of exploitation necessarily deduced and indispensable to fulfil the purpose of the contract. Specific provisions for employees apply (see [Question 15](#)).

Royal Legislative Decree 1/1996 approving the revised text of the Intellectual Property Law applies.

Moral rights cannot be assigned or waived. On the author's death, the exercise of part of the moral rights vests in the person to whom the author expressly entrusted them by last will provision, their heirs or, in their absence, in public authorities.

**Formalities for copyright assignment.** A copyright assignment must be in writing and signed by both parties.

Even though not mandatory, copyright and its assignment can be registered in the [Intellectual Property Registry](#). It is presumed, in the absence of proof to the contrary, that the registered rights exist and belong to their holder in the registered form.

## Design Rights

**Basis for design rights assignment.** Both registered and unregistered designs, as well as design applications, can be freely assigned in whole.

Law 20/2003 on the Legal Protection of Industrial Design (Industrial Design Law) and [Regulation 6/2002 on Community designs](#) apply.

**Formalities for design rights assignment.** Under the Industrial Design Law, a design assignment must be in writing except in cases of mortis causa assignment. If the assignment is by contract, it must be signed by both parties.

To be effective against bona fide third parties, a design assignment must be registered in the Design Register of the SPTO. Registration does not require a specific timeframe.

## Trade Secrets and Confidential Information

**Basis for assignment.** Trade secrets and confidential information can be freely assigned.

Law 1/2019 on Trade Secrets (Trade Secrets Law) applies.

**Formalities for assignment.** No formalities apply. It is recommended to have the assignment agreement in writing, with appropriate provisions to maintain confidentiality.

## Domain Names

Under the National Internet Domain Name Plan (Plan) for the Spanish country code ".es", a right to use a domain name can be assigned, provided that the assignee complies with the Plan and its implementing provisions, namely the Instruction of the General Director of *Red.es*, which manages registration and assignment of internet domain names under the ".es" country code for Spain.

Under the Instruction of the General Director, the assignor and the assignee must submit to Red.es a request to transfer the domain name and acceptance of the conditions of transfer. Red.es verifies both and, if satisfied, will transfer the domain name.

In cases of universal succession and of assignment of a trade mark or trade name with which a domain name is associated, the successor or assignee can continue to use the domain name provided it complies with the rules in the Plan and requests Red.es to amend the domain name registration data.

## Main Terms for Assignments

2. What main terms should be included in an assignment of IPRs?

The terms to be included in an IPR assignment vary depending on the assignment and the type of IPR. The main terms to be considered include:

- The name and details of the assignor and assignee.
- A detailed definition of the IPRs being assigned.
- The scope of the assignment (in whole or part), exclusivity or non-exclusivity, and territory of the assignment.
- An assignment clause, clearly indicating that the IPRs are being assigned.
- Warranties and/or indemnities regarding the assigned IPRs.

- The price, due date, method of payment, and costs, such as fees to register the assignment.
- The assignor's specific obligations.
- The effective date.

## IP Licensing

### Scope and Formalities for IP Licensing

3. On what basis can the main IPRs be licensed? What formalities apply?

#### Patents

**Scope of a patent licence.** A patent licence can be exclusive, non-exclusive, and sole.

Both a patent and a patent application can be licensed in whole or part, for the entire Spanish territory or part of it.

Time limits and jurisdictional restrictions can be applied to a patent licence. The Patent Law applies.

Unless otherwise agreed, the licensee can perform all acts comprising the exploitation of the patented invention, in all its applications, throughout Spanish territory and for the duration of the patent. However, unless otherwise agreed, the licensee cannot assign the licence to a third party or grant a sub-licence.

In addition, unless otherwise agreed, the licence is non-exclusive, and the licensor can grant licences to third persons and exploit the invention. If the licence is exclusive, the licensor can only exploit the invention if the licensor has expressly reserved this right.

Unless otherwise agreed, an exclusive licensee can bring in their own name an action for infringement of the patent. A non-exclusive licensee cannot bring an action for infringement of the patent but can request the patent owner to bring appropriate legal action. If the owner refuses or fails to bring the appropriate action within three months, the licensee can bring the action in their own name with the request made.

**Formalities for a patent licence.** Under the Patent Law, a patent licence must be in writing, signed by both parties.

To be effective against bona fide third parties, a patent licence must be registered in the SPTO Patent Register.

Registration does not require a specific timeframe. However, no rights can be invoked against third parties for patent licences that have not been duly registered in the Patent Register. Further, only holders of registered rights can refer to a patent application or a patent on their products.

## Utility Models

**Scope of a utility model licence.** Utility models can be licensed under the same conditions as patents (see above, [Patents](#)).

**Formalities for a utility model licence.** Formalities for a utility model licence are the same as those for patents (see above, [Patents](#)).

## Trade Marks

**Scope of a trade mark licence.** A trade mark licence can be exclusive, non-exclusive, or sole.

Under the Trade Mark Law, registered trade marks and trade mark applications can be licensed in whole or part, for all or part of the goods and services for which they are registered, and for all or part of the Spanish territory.

It is understood, unless otherwise agreed, that a trade mark licence is non-exclusive, and that the licensor can grant other licences and exploit the trade mark. If the licence is exclusive, the licensor can only use the trade mark if they expressly reserve that right.

Jurisdictional limits and time limits can be applied by the licensor. Unless otherwise agreed, the licensee can use the trade mark for the entire duration of the registration, including renewals, throughout the Spanish territory and for all the goods or services for which the mark is registered.

Unless otherwise agreed, the licensee cannot assign the licence to a third party or grant a sub-licence and can only bring an action for infringement of the trade mark with the owner's consent. However, an exclusive licensee can bring such an action if the trade mark owner, after being requested to do so, does not bring infringement proceedings.

Spanish Law does not stipulate anything about whether trade marks can be licensed with or without goodwill.

**Formalities for a trade mark licence.** The law does not impose any formalities for a trade mark licence. However, to be registered, a trade mark licence must be in writing and signed by both parties.

Under the Trade Mark Law, for a trade mark licence to bind bona fide third parties, it must be registered in the SPTO Trade Mark Registry. No specific timeframe applies for registration of a trade mark licence.

## Copyright

**Scope of a copyright licence.** Copyright can be licensed in whole or part, with jurisdictional restrictions and time limits, under the same conditions as it can be assigned (see [Question 1, Copyright](#)).

Moral rights are inalienable rights and cannot be licensed, assigned, or waived.

**Formalities for a copyright licence.** A copyright licence must be in writing and signed by both parties.

Even though not mandatory, copyright and a copyright licence can be registered in the Intellectual Property Registry. It is presumed, in the absence of proof to the contrary, that the registered rights exist and belong to their holder in the registered form.

## Design Rights

**Scope of a design rights licence.** A design licence can be exclusive, non-exclusive, and sole. The Industrial Design Law applies.

It is understood, unless otherwise agreed, that a licence is non-exclusive and that the licensor can grant other licences and exploit the design. If the licence is exclusive, the licensor can only exploit the design if they expressly reserve this right.

Design rights can be licensed in whole or part of the exclusive design right, for the entire Spanish territory or part of it, and for all or part of its possible applications.

Time limits and jurisdictional restrictions can be applied to a design rights licence.

Unless otherwise agreed, the licensee can exploit the design for the entire duration of the registration, including renewals, throughout Spanish territory and for all its applications. However, unless otherwise agreed, the licensee cannot assign the licence to a third party or grant a sub-licence.

Unless otherwise agreed, the licensee can only bring actions in their own name against third parties with the express authorisation of the design right holder. However, an exclusive licensee can request the design owner to bring corresponding legal action. If the owner refuses or fails to bring the appropriate action within three months, the exclusive licensee can bring the action in their own name with the request made.

**Formalities for a design rights licence.** Under the Industrial Design Law, a design licence must be in writing and signed by both parties.

To be effective against bona fide third parties, the licence must be registered in the SPTO Design Register. Registration does not require a specific timeframe.

## Trade Secrets and Confidential Information

**Scope of a licence.** The licence can be exclusive, non-exclusive, or sole. It is presumed that the licence is non-exclusive and that the licensor can grant other licences or use the trade secret. If the licence is exclusive, the licensor can only use the trade secret if they expressly reserve this right.

Under the Trade Secrets Law, a trade secret can be licensed in whole or part with jurisdictional restrictions and time limits, with the objective, material, territorial, and temporal scope agreed in each case.

Unless otherwise agreed, the licence holder can perform all acts that integrate the use of the trade secret. Unless otherwise agreed, the licensee cannot assign the licence to a third party or grant a sub-licence. The licensee or sub-licensee must take necessary measures to prevent infringement of the trade secret.

**Formalities for a licence.** No formalities apply. However, it is common and highly advisable for the licence to be in writing, signed by both parties, with appropriate provisions to maintain confidentiality even after the licence is terminated.

## Main Terms for Licences

4. What main terms should be included in an IP licence?

The terms to be included in an IP licence vary depending on the circumstances of the licence and the type of IPR. The main terms to be considered include:

- The names and details of the licensor and licensee.
- A detailed definition/description of the IPRs being licensed.
- The scope of the licence, in terms of subject matter, term, territory, exclusivity, or non-exclusivity.
- The right to grant sub-licences and to transfer the licence.
- Warranties and indemnities regarding the licensed IPRs.
- Royalties, including taxes, method of payment, and due date.
- Governing law, jurisdiction, and enforcement of the licensed IPRs in case of infringement by third parties.
- Maintenance of the IPRs.
- Effective date.
- Termination provisions and remedies for breach of the licence.
- Confidentiality.

## Research and Development Collaborations

### Improvements and Derivatives

5. How should research and development collaborations address improvements and derivatives?

It is advisable that research and development collaboration agreements establish ownership and the right to use any IPRs or other eventual rights arising from improvements or derivatives.

The following should be considered.

Under the Patent Law, unless otherwise agreed, improvements or derivatives to patents are owned by the party or parties who made them.

In addition, if a depending patent cannot be exploited without using an invention protected by an earlier patent owned by a different patentee, the owner of the earlier patent cannot exploit the later patent during its term without its owner's consent.

Further, the later patent owner cannot exploit either patent during the term of the earlier patent without the consent of the earlier patent owner.

In terms of ownership, unless otherwise agreed, each co-owner can individually exploit the patent. However, a licence to a third party to exploit the invention must be granted jointly by all the co-owners.

Under Royal Legislative Decree 1/1996, approving the revised text of the Intellectual Property Law, the consent of the author of a copyrighted work is required to create derivative works, since the economic right of transformation of the work and the moral right of integrity of the work belong to the author. The author of the derivative work has the same rights as the author of the original work over the derivative work. However, the author of the derivative work must have the authorisation of the author of the original work to exploit the derivative work.

The Competition Act 15/2007 does not expressly prohibit agreements that grant improvements exclusively to one of the parties. However, such agreements should be checked since they could raise competition concerns if they result in the lessening of competition in the relevant market, especially if they confer the possibility of exercising decisive influence over the other party.

To overcome such issues, assigning the rights to improvements and derivatives to one of the parties and granting a non-exclusive licence back to the other party could be a solution, as it allows the results to be used by both parties and would reduce the risk of monopoly.

In any case, the specific terms of such a licence should be carefully drafted to avoid further disputes or misunderstandings.

## Joint Ownership of IP

6. How does joint ownership of IP arise?

Joint ownership of IP can arise through an agreement to create a strategic alliance or to create or develop IP.

In addition, joint ownership of IP can arise by operation of law if the co-owners jointly contribute to the creation of a work, an invention, or any other IPRs.

7. What key issues arise in terms of the parties' rights to exploit and enforce jointly owned IP? How should these issues be dealt with in the agreement between the parties?

## Exploiting and Enforcing Jointly Owned IP



It is highly advisable to include specific provisions on the exploitation and management of IPRs in joint development, co-operation, or other agreements that may give rise to a co-ownership IPR, to avoid possible disputes between co-owners.

Spanish law applies rules to IPR co-ownership in the absence of an agreement between the co-owners.

Specifically, under the Patent Law, unless otherwise agreed, each co-owner is entitled to individually exploit the patent, notifying the other co-owners, and to bring infringement proceedings. However, a licence to a third party to exploit the invention must be granted jointly by all the co-owners, unless authorised by a court.

For copyright, co-authors can only modify or disclose their work by mutual agreement. In case of disagreement, a civil court can determine how to exercise their rights. However, unless otherwise agreed, each of them can separately exploit their contributions, unless they are detrimental to the common exploitation.

The Trade Mark Law establishes that, unless otherwise agreed, the agreement of a majority of the co-owners is necessary to individually exploit the trade mark. Each co-owner can bring civil and criminal actions in defence of the trade mark but must notify the other co-owners so that they can join in and contribute to payment of the costs incurred. In the event of assignment of the trade mark, the co-owners have a right of first refusal. A licence to a third party must be granted jointly by all the co-owners, unless authorised by a court.

## Joint Ownership Provisions in Collaboration Agreements

The conditions for exploitation and management of joint ownership of IPRs should be regulated in detail, establishing terms and conditions for implementation, exploitation, and management of the co-owned IPRs.

The following provisions should be included in the agreement:

- A definition of the "background" IP, the IPRs owned by each party before the agreement.
- A definition of the "foreground" IP, the rights arising due to work on the project.
- Ownership, cross-licensing positions, exploitation rights, and payment of fees relating to the IPRs.
- Liability in case of infringement of third parties' IPRs.
- Confidentiality provisions.
- Governing law and jurisdiction.
- Termination and post-termination provisions.

However, joint ownership can differ significantly between different IPRs, so agreements should be adapted to the specific rights that are foreseen.

## IP Audit



8. What are the main steps in conducting an IP audit in your jurisdiction to determine the content of an IP portfolio?

The main steps in conducting an IP audit to determine the content of an IP portfolio include the following.

## Patents

In relation to patents:

- Checking the status of patent applications or registrations, territory covered, claims, registration number, priority date, registration date, renewal/expiry date, payment of maintenance fees, and so on.
- Checking ownership and the inventor(s), reviewing assignments, licences, research and development agreements, and other agreements relating to patents, including those related to employees, and their registration when appropriate.
- Identifying security interests, if applicable.
- Verifying whether there are any pending or completed proceedings or claims relating to patents.

## Utility Models

The same steps apply as for patents (see above, *Patents*).

## Trade Marks

In relation to trade marks:

- Reviewing trade marks and trade names registered and/or used by the company.
- Checking the status of registrations, territory covered, goods or services covered, registration number, priority date, registration date, renewal/expiry date, and so on, and assessing whether coverage is appropriate for the company.
- Where applicable, checking whether genuine use of the trade mark can be proved and to what extent.
- Checking ownership, reviewing assignments, licences, co-existing agreements, and other agreements relating to the trade marks, and their registration where appropriate.
- Identifying security interests, if applicable.
- Verifying whether there are any pending or completed proceedings or claims relating to the trade marks.

## Copyright

In relation to copyright:

- Identifying and reviewing copyright owned or exploited by the company.
- Checking ownership or authorisation to exploit the works, reviewing assignments, licences, and other agreements relating to copyright, including related to employees, and their registration when appropriate.
- Identifying security interests, if applicable.
- Verifying whether there are any pending or completed proceedings or claims relating to copyright.

## **Design Rights**

In relation to designs:

- Checking the status of design registration, territory covered, object, registration number, priority date, registration date, renewal/expiry date, and so on.
- Checking ownership and the designer(s), reviewing assignments, licences, and other agreements relating to designs, including related to employees, and their registration when appropriate.
- Identifying security interests, if applicable.
- Verifying whether there are any pending or completed proceedings or claims relating to the designs.

## **Trade Secrets and Confidential Information**

In relation to trade secrets and confidential information:

- Checking that trade secrets are identified and secure.
- Reviewing assignments, licences, research and development agreements, and other agreements relating to trade secrets.
- Verifying that there are reasonable protective measures to maintain secrecy (secrecy and non-disclosure agreements, access and other security policies, technological measures, employees training, and so on).
- Whether there are any pending or completed proceedings or claims relating to trade secrets.

## **IP Aspects of M&A**

### **IP Due Diligence**



9. What IP-related due diligence is commonly conducted in both a share sale and an asset sale?

### Share Sale or Merger

In a share sale and an asset sale, the steps in IP-related due diligence are the same as those in an IP audit (see [Question 8](#)).

Specific attention should be paid to any contractual obligations on change of control or other termination provisions.

### Asset Sale

See above, [Share Sale or Merger](#).

Specific attention should be paid to ensuring that the IPRs are expressly and precisely identified and defined, and to any contractual obligations that restrict assignment.

### Warranties/Indemnities

10. What IP-related warranties are commonly given by the seller to the buyer in both a share sale or merger and an asset sale?

### Share Sale or Merger

In a share sale or a merger, the seller commonly gives to the buyer, among others, the following warranties:

- Ownership of the IPRs, and validity and enforceability of the IPRs.
- Payment of registration and maintenance fees and any licence fees.
- No unidentified right, title, or interest in and to any IPRs of a third party.
- So far as the seller is aware, no pending or completed opposition, revocation, or invalidity proceedings and no infringement proceedings relating to the IPRs.
- So far as the seller is aware, no IPRs of third parties are infringed and no infringement by third parties of the IPRs.
- Best efforts to maintain the confidentiality of trade secrets and other valuable confidential information.

### Asset Sale

See above, [Share Sale or Merger](#).

## Transfer of IPRs

11. How are the main IPRs transferred in both a share sale and an asset sale?

### Share Sale or Merger

In a share sale, IPRs owned by the target company remain unchanged. However, a change of control clause may require prior consent, so this point should be considered.

Under the Trade Mark Law, a whole transfer of a company implies the assignment of its trade marks, unless otherwise agreed, or unless it is otherwise clear from the circumstances of the transfer.

### Asset Sale

In an asset sale, IPRs must be assigned individually. It is advisable for the sale agreement to include all necessary provisions to transfer the IPRs (see [Question 1](#)).

## Lending and Security Interests

12. Can security be taken over IPRs?

In Spain, the main security interests that can be taken over IPRs are a mortgage and a pledge under the general rules in the Chattel Mortgage and Nonpossessory Pledge Law 1954 and specific IPR regulations (see [Question 13](#)).

The main issues when taking security interests over IPRs arise due to their valuation and uncertainty.

Security cannot be taken over unregistered IPRs.

13. What are the main security interests taken over IPRs and how are they created and perfected?

In Spain, the main security interests taken over IPRs are a mortgage and a pledge.

A mortgage can be granted by the IPR owner and by a licensee that has power to assign their right to a third party.

Under the Chattel Mortgage and Nonpossessory Pledge Law 1954, the licensee can grant a mortgage over their rights, for the whole Spanish territory or part of it. IPRs cannot be mortgaged if they are registrable but not registered, very personal rights, rights lacking ownership or that are not alienable or, in general, rights not capable of individual appropriation.

### Patents

A security interest can be taken over a patent application and a patent. When carried out *inter vivos*, a patent mortgage must be recorded in writing to be valid.

A patent mortgage must be registered in the fourth section of the Register of Movable Goods and notified to the SPTO for registration in the Patent Register. A patent mortgage must be duly registered in the Patent Register.

### Utility Models

See above, [Patents](#).

### Trade Marks

A mortgage over a trade mark must be registered in the fourth section of the Register of Movable Goods and notified to the SPTO for registration in the Trade Mark Registry.

To be enforceable against *bona fide* third parties, a trade mark mortgage must be in writing and registered in the Trade Mark Registry.

### Copyright

A mortgage can only be granted over the exploitation rights of a work and over all rights of ownership that can be transferred *inter vivos*. The exploitation rights of a cinematographic work can also be mortgaged.

However, IPRs that are registrable but have not been registered (such as copyright) cannot be mortgaged. Rights also cannot be mortgaged if they are personal rights such as moral rights, not alienable or, in general, not capable of individual appropriation.

A mortgage over copyright must be executed before a notary and is deemed to be created when it is registered in the Registry of Movable Goods.

### Design Rights

When carried out *inter vivos*, a design right mortgage must be recorded in writing to be valid.

A design right mortgage must be registered in the fourth section of the Register of Movable Goods and notified to the SPTO for registration in the Design Registry. To be enforceable against *bona fide* third parties, a design right mortgage must be registered in the Design Registry.

## Trade Secrets and Confidential Information

Under Spanish Law, it is not possible to take security over trade secrets.

## Settlement Agreements

14. What are the main considerations when entering an IP litigation settlement agreement?

The Civil Procedure Act 1/2000 establishes that the parties can dispose of the subject-matter of the proceedings and can waive, withdraw, settle, submit to mediation or arbitration, and compromise on the subject-matter of the proceedings, except when the law prohibits it or imposes limitations for reasons of general interest or for the benefit of a third party.

In this context, parties can freely agree the granting of a licence, who will bear the costs, or any terms they wish to include, provided the above limits are respected. Such matters are, therefore, subject to negotiation.

Even in litigation settlement agreements there are certain terms that could give rise to competition law concerns, such as in patent settlement agreements (see [Question 17](#)), that is, anti-competitive restraints.

A settlement can be reached and performed at any time during the first instance or appeal proceedings or during enforcement of the judgment. During the preliminary hearing, the court verifies if the parties are willing to reach an agreement but there are no consequences if the parties decide to continue with the proceedings.

Parties negotiating a settlement agreement can apply for a suspension of the proceedings, which will be granted if it is not prejudicial to the general interest or to a third party, and if the period of suspension does not exceed 60 days.

At the parties' request, a settlement agreement can be approved by the court provided that there is no final judgment. Approval of the agreement is jointly requested by the parties, outlining the agreement reached and setting out the agreed terms. Since the confidentiality of the approved agreement cannot be guaranteed, the parties may also agree to keep part of the agreement private between them.

A judicially approved agreement has the effects attributed by law to a judicial settlement. If a party fails to comply with an agreement approved by the court, the other party can request the court to enforce the agreement.

## Employees and Consultant Agreements

### Employees

15. Who owns each of the main IPRs created by an employee in the course of employment?

## Ownership

**Patents.** Under the Patent Law, inventions made by an employee or service provider during the term of their contract, which are the result of research activity explicitly or implicitly constituting the subject matter of the contract, belong to the employer. Otherwise, the invention belongs to the inventor.

However, if the invention is made within the employee's activity in the company and is mainly influenced by knowledge acquired within the company or using means provided by the company, the employer can assume ownership of the invention or reserve the right to use it.

**Copyright.** Under Royal Legislative Decree 1/1996, approving the revised text of the Intellectual Property Law, the transfer to the employer of exploitation rights of a work created under an employment relationship are governed by the contract, which must be in writing.

In the absence of a written agreement, the exploitation rights are presumed to be assigned exclusively and to the extent necessary for the exercise of the employer's usual activity at the time of delivery of the work made under the employment relationship. The employer cannot use the work or dispose of it for different purposes.

For computer programs, it is assumed that the exploitation rights over a computer program created by an employee in the performance of their duties or on the instructions of their employer have been granted exclusively to the employer, to the extent necessary for the exercise of their usual activity at the time of delivery of the work.

**Designs.** When a design is developed by an employee in the performance of their duties or following their employer's instructions, or by order under a contract for services, the right to register the design belongs to the employer or the contractual party who commissioned the design, unless otherwise agreed.

The Industrial Designs Law and Regulation 6/2002 on Community designs apply.

## Compensation

**Patents.** Compensation must be paid to the employee when the employee's personal contribution to an invention belonging to the employer and the importance of this invention for the employer clearly exceeds the explicit or implicit content of the contract or employment relationship. In this case, the employee has the right to additional remuneration.

In addition, where the employer takes title to an invention or reserves a right to use it, the employee is entitled to fair financial compensation fixed in relation to the industrial and commercial importance of the invention and taking into account the value of the means or knowledge provided by the company and the employee's own contributions. Such financial compensation can be a share in the profits accruing to the company from the exploitation or assignment of its rights in the invention.

**Copyright.** Unless otherwise agreed, no additional compensation is paid.



**Designs.** Unless otherwise agreed, no additional compensation is paid.

## Main Steps

To ensure that the employer owns each of the main IPRs and to avoid uncertainties or limitations on the assigned IPRs, it is highly advisable and, depending on the IPRs and the circumstances, mandatory to include an IPR assignment clause in the employment contract.

## Consultants

16. Who owns each of the main IPRs created by an external consultant?

## Ownership

Unless otherwise agreed, external consultants own the IPRs for what they create.

## Main Steps

Even if in certain circumstances a licence or partial assignment of IPRs can be inferred from a consultancy contract, a specific written assignment of such rights is required to ensure that the company owns each of the main IPRs. Depending on the IPRs, specific provisions or further steps (such as registration of the assignment in the relevant register) should be addressed (see [Question 1](#) and [Question 2](#)).

## Key Issues in IP Transactions

### Competition Law

17. What are the most common national competition law issues that arise in the exploitation of the main IPRs?

The law regulating competition in Spain is the Competition Act 15/2007.

Some of the most common issues arising in the exploitation of IPRs include:

- Licence and know-how agreements, which could include clauses involving market-sharing, price-fixing, or barriers to entry.
- Patent settlement agreements.
- Trade mark co-existence agreements, which could involve market sharing or any anti-competitive restriction.
- Refusal to license patents by owners of standard/essential patents.

18. What exclusions or exemptions are available for national competition law issues involving the exploitation of the main IPRs?

Under the Competition Act, when required by the public interest, the National Competition Commission, through an ex-officio decision, can declare, after a report from the Council for the Defence of Competition, that Article 1 of the Competition Act does not apply to an agreement, decision, or practice, because either:

- It does not constitute a concerted or consciously parallel practice that produces or could produce the effect of preventing, restricting, or distorting competition in the market.
- The practices, agreements, decisions, or recommendations contribute to improving the production, marketing, and distribution of goods and services or promoting technical or economic progress, provided that they do all the following:
  - permit consumers or users to participate in their advantages;
  - do not impose on the undertakings concerned unnecessary restrictions in attaining their objectives; and
  - do not afford such undertakings the possibility to eliminate competition in respect of a substantial part of the products in question.

In addition, the main EU block exemptions include the:

- Vertical Block Exemption Regulation (EU) 2022/720.
- Technology Transfer Block Exemption Regulation (EU) 316/2014.
- Research and Development Block Exemption Regulation (EU) 1217/2010.

## Tax

19. What are the main taxes payable by a licensor on the licensing of the main IPRs?

The main taxes payable by a licensor on the licensing of the main IPRs are:

- Corporate income tax, under the Corporate Income Tax Law 27/2014. Certain IPRs (such as patents, utility models, and others related to R&D) can, under certain circumstances, benefit from relevant tax advantages. Current tax rates range from 1% to 25%.
- Personal income tax under the Personal Income Tax Law 35/2006, if the licensor is a natural person.
- Withholding tax on royalty payments, under the Withholding Tax Act 35/2006.
- Value added tax under the Value Added Tax Act 37/1992. Certain exceptions may apply. The current tax rate is 21%.

In Spain, legal persons can benefit from the "Patent Box" in the Corporate Income Tax Law, which reduces the taxation of income from exploiting certain IPRs. Under Article 23, it covers patents, utility models, supplementary protection certificates for medicines and phytosanitary products, legally protected designs derived from research and development and technological innovation activities, and registered advanced software derived from research and development activities.

20. What are the main taxes payable by a seller on the sale or transfer of the main IPRs?

The main taxes payable by a seller on a sale of the main IPRs are:

- Corporate income tax or personal income tax (see [Question 19](#)).
- Value added tax (see [Question 19](#)).
- Tax on ownership transmissions and documented legal acts (for documented legal acts relating to IPRs), under the Tax on Ownership Transmissions and Documented Legal Acts Act 1/1993. This can apply to the licensing of the main IPRs (see [Question 19](#)) if transmitted through a notarised agreement.

## Non-Tariff Trade Barriers

21. Are there any non-tariff trade barriers affecting IP development and licensing transactions?

There are no specific non-tariff trade barriers affecting IP development and licensing transactions in Spain. General EU rules on non-tariff trade barriers apply.

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