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community trade marks

BRIEFING PAPER

THE COMMUNITY TRADE MARK



The Institute of
Trade Mark
Attorneys

the Community Trade Mark

Introduction

The Community Trade Mark (CTM) has several distinct advantages, including substantial cost savings not only for registration but also at renewal, together with the ability to maintain validity by genuine use in only one part of the Community. The largest drawback is its unitary nature, that is to say, in order to be registrable, a mark must be available in every one of the member states. It will however, in most circumstances, be possible to convert a CTM which encounters difficulties back to national applications. Given that the majority of the fees are not payable until registration, the amount of money at risk is less than might at first be thought.

The Community Trade Mark system is an open system, in that applications are not restricted to parties domiciled or having a place of business in one of the member states. Nor does a Community application have to be based upon a national registration or application. The Community system is proving to be the most attractive means of protecting trade marks in Europe. Filings have remained at a consistently high level and the Office is reducing the time taken for examining applications, with the result that the introduction of the CTM has to be viewed as an unqualified success.

Who administers it

The Community Trade Mark System is run by the Community Trade Mark Office in Alicante. This is correctly known as the 'Office for Harmonization in the International Market (Trade Marks & Designs)' – abbreviated to 'OHIM'.

Countries covered

A CTM is a unitary mark which automatically extends to cover all member states of the EU. Community registrations exist in parallel with national registrations in the individual member countries.

It is possible to base an International Registration under the Madrid Protocol on a CTM application or registration. Likewise it is possible to designate OHIM in a Madrid Protocol application, and thus obtain a CTM by this route.

When a new country joins the Union, an existing CTM registration automatically extends to cover the country. Any conflict with local prior rights will be resolved separately.

Who may apply

Practically anyone may apply, provided that they are a natural or legal entity.

Where to apply

An application for a Community Trade Mark can be filed at any one of the national Trade Mark Registries, e.g. in London or in Newport, or direct at OHIM, e.g. by facsimile, or electronic mail.

Fees

Commission Regulation (EC) No. 2869/95 of 13 December 1995 was published in the *Official Journal* of the European Commission on the 15th December 1995, setting the official fees, which are revised regularly. ITMA members can provide you with up-to-date information, and the OHIM website also has full details of the current fees.

It is usually possible to obtain a single CTM registration covering all member states at a cost which clearly compares very favourably, subject to no oppositions, with the cost of obtaining separate national registrations.

Which languages can be used

An application for a CTM can be filed in any of the official languages of the EC, but the working languages for OHIM are English, French, German, Italian and Spanish. An applicant must in all cases indicate a second language which is one of these five working languages of the office.

In *ex parte* matters, if the language of the applicant is not a working language the office can use the second language.

In *inter partes* matters, e.g. oppositions, an opponent can file in any of the five working languages, but if that is not one of the two languages of the application, the opponent must provide a translation into a working language that is one of those two languages. Community applications are published for opposition in all Community languages in the CTM's Bulletin.

What is registrable

The definition of a registrable trade mark under the CTM system broadly follows the EC Harmonisation

Directive, and therefore, to all intents and purposes, is the same as Sections 1 and 3 of the UK Trade Marks Act 1994. However, the level of distinctiveness required for a mark sometimes seems to be lower than the level required in the UK.

Priority and Seniority

Priority can be claimed at the time of filing or in the following two months.

Also, 'seniority' can be claimed from earlier national registrations either at the time of filing or in the following two months, or once the application has proceeded to registration (Article 35). Supporting documents have to be filed both for priority and seniority within three months of making a claim.

The CTM regulation does not provide for the filing of an application for a series of marks. However, the level of distinctiveness required for a mark sometimes seems to be lower than the level required in the UK.

Registration Procedure

The examination by OHIM covers absolute grounds, e.g. distinctiveness, but it does not examine for relative grounds i.e. conflict with prior rights. The office does however make a check through prior *Community* registrations and applications, but the results of this check are not used as a ground of official objection. They are sent to the applicant, and, when the application is advertised, the owners of all the registrations found in the check of Community marks are notified, so that they can oppose if they so wish.

Within three months of being informed of the filing of a new CTM application, those countries who want to (for example, Germany, Italy and France will not) make their own checks through their national registers for any earlier marks which could lead to an objection. OHIM will send the results of these national checks also to the applicant.

Opposition

Within three months after advertising, the owner of any prior conflicting mark or other right may file opposition on relative grounds. Also, any third party can file observations on any absolute grounds of rejection that they believe may be relevant, but in that case they do not become parties to the subsequent proceedings.

After OHIM has notified the parties of the Notice of Opposition, there is a 'cooling off' period (available at the written request of both parties) during which a settlement can be negotiated. The opponent is otherwise required to file all facts, evidence and arguments in support of the opposition within two months from the end of the 'cooling off' period.

The applicant has a further two month period within which to file evidence in support of their mark. However, before doing so, if the opposition is based on earlier national registrations which are more than five years old, the applicant can request (Article 43) the opponent to furnish proof of use of the prior rights on which the opposition is based.

Decisions

- 1. As a result of an appeal, the Community Trade Mark Office accepts two letter trade marks as being prima facie registrable provided they do not describe the goods or services offered under the trade mark.**
- 2. Again as a result of an appeal, the Community Trade Mark Office now accepts registration of trade marks for retail services.**
- 3. Following consideration by the European Court of Justice, the trade mark BABY DRY was allowed to be registered for nappies. This was an important decision which influenced the standard for inherent registrability of trade marks.**
- 4. The Court of First Instance has refused applications to register, as three-dimensional trade marks, the shape and colour of dishwasher tablets. The Court of First Instance ruled that these trade marks comprised commonly found features which could not be monopolised by one party.**

Terms and Renewal

Registration is for a period of 10 years. No proof of use is necessary on renewal. A single renewal fee, together with any extra class fees, is payable to OHIM.

Conversion of national applications

Where a pending application cannot meet the requirement of being available in all member states and therefore is refused or successfully opposed, or even is simply withdrawn, the proprietor will have the option of applying to convert the mark to separate national applications but only in those countries where the grounds for refusal or opposition do not exist. The original CTM filing date is retained by any such national application. The same also applies where a Community Registration ceases to have effect for any reason other than non-use, e.g. by nonpayment of the renewal fee.

Use and Non-use

Genuine use of the mark anywhere in the Community should be sufficient to maintain a CTM registration; use in all of the individual states is not necessary.

A registration may be saved from being declared invalid if the mark becomes distinctive through use, even where such use occurs after the date of registration.

Revocation and Invalidity

A CTM registration may be revoked if there has been no genuine use anywhere in the Community for five years, or if the mark has become generic, or if as a consequence of action or inaction by the proprietor the mark has become liable to mislead the public.

A CTM registration may be declared invalid if the mark was originally applied for in bad faith or did not meet the registrability requirements regarding distinctiveness, or is found to conflict with a valid prior right.

Transfers and Licences

Assignments and licenses will only be deemed effective against third parties once they have been recorded on the Community Register. OHIM can object to an assignment and refuse to record the transfer if it is felt that, as a result of the transfer, the public might be misled with regard to the nature, quality or geographical origin of the goods or services.

Assignments which divide the CTM right by territory are unacceptable, in view of its unitary nature. However, a mark may be licensed for a part of the Community.

Infringement

Infringement rights under the Community Trade Mark Regulation are very similar to those under the UK Trade Marks Act 1994 as both closely follow the terms of Article 5 of the EC Harmonisation Directive.

There is no Community Court as such to deal with infringement cases. The Regulation leaves the enforcement of CTM rights to the national courts to deal with CTM litigation. Appeals are possible to the European Court of Justice.

Proceedings shall, subject to any agreement to the contrary between the respective parties, be brought in the courts of the member state in which the defendant is domiciled or in which the defendant has a place of business. If this is not applicable, then proceedings should be commenced in the member state where the plaintiff is domiciled, or failing that where the plaintiff has a place of business within the EC. If neither the defendant nor the plaintiff is domiciled or has a place of business in the Community then proceedings should be brought in the Spanish courts. In all such cases the court has jurisdiction to deal with acts of infringement committed anywhere in the EC.

Notwithstanding the above, cases can also be brought in the jurisdiction where an infringement has occurred, but then such cases are limited to acts of infringement which have occurred in that member state alone.

CTMs and national registrations can co-exist, but there are limitations on simultaneous or successive infringement proceedings being brought between the same parties.

An application for a declaration for invalidity can form the basis for a counterclaim in infringement proceedings.



This briefing paper is intended as guidance only and no legal liability can be accepted in relation to the information given above. For further information contact a trade mark attorney or contact the Institute office at:



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