

EU ENLARGEMENT AND THE COMMUNITY TRADE MARK

On 1st May 2004 (the “date of enlargement”), ten new countries became member states of the European Union (“EU”). As the Community trade mark (“CTM”) is a right covering the whole of the territory of the EU, when these new countries joined (and when any further countries join in the years to come), the scope of the CTM was widened to include the territory of the new countries. All CTMs will, therefore, cover the whole of the territory of the enlarged EU, irrespective of when application was made to register.

The sudden extension of existing CTMs to cover new territories gives rise to a number of issues. These include:

1. Conflict with national rights.
2. New absolute grounds of refusal.
3. Increased oppositions and absolute grounds for refusal.
4. Impact on fees.

1. Conflict with National Rights

The scope of CTMs applied for, or registered, before the date of enlargement has been automatically extended to cover the whole of the territory of the enlarged EU. If there is an earlier right in a new member state, the proprietor of that right is entitled to prevent use of the automatically extended CTM in that new member state. The proprietor does not, however, have any right to object to registration of a CTM on the basis of its earlier right unless the CTM was applied for less than six months before the date of enlargement.

If the CTM was applied for less than six months before the date of enlargement (i.e. after 1st November 2003 but before 1st May 2004), the proprietor of an earlier right in a new member state has the right to oppose the CTM application. However, if the proprietor of the earlier right does not oppose the CTM application, he will not be entitled, at a later date, to apply to invalidate the registered CTM on the basis of his earlier right.

A CTM applied for on or after the date of enlargement can be opposed or invalidated on the basis of an earlier right in a new member state in the same way as it can on the basis of an earlier right in an "old" member state.

2. New Absolute Grounds

An absolute ground is one which arises as a result of the mark itself, as opposed to the existence of an earlier third party right. Absolute grounds include, for example, the fact that the mark is descriptive or lacking in distinctive character. If a CTM faces an absolute ground for non-registerability solely as a result of the accession of a new member state then that absolute ground cannot be raised to prevent or invalidate registration of the CTM if the CTM was applied for before the date of enlargement.

Thus if, for example, the CTM is descriptive in Hungary of the goods for which it is to be registered, but would not be seen as descriptive in any of the "old" member states, then the CTM will be registerable (provided it was applied for before the date of enlargement).

A CTM applied for on or after the date of enlargement can be refused or invalidated on the basis of an absolute ground particular to a new member state in the same way as it can on the basis of an absolute ground particular to an "old" member state.

3. Increased Oppositions and Absolute Grounds for Refusal

A CTM can be opposed on the basis of an earlier right in any member state of the EU. It can also be refused on the basis of an absolute ground occurring in any member state of the EU. As of the date of enlargement, the number of

member states increased from fifteen to twenty-five. The likelihood, therefore, that a CTM application will be the subject of an opposition or face an absolute ground objection is increased for those filed on or after the date of enlargement.

If an opposition is successful or if the CTM is refused, the CTM can be converted into national applications in any or all member states with the exception of the member state(s) in which there was found, by the Community Trade Marks Office, to be an earlier right or an absolute ground for refusal. These converted national applications maintain the original filing date (and priority date) of the CTM.

4. Impact on fees

Currently there are no plans to increase the application or registration fee as a result of the accession of the new member states.

5. Seniority

Where there are earlier filed national registrations for the same mark as a CTM, and covering goods and services included within the CTM specification, “seniority” can be claimed from the national registration in relation to the CTM. If this is done the national registration can be allowed to lapse without any loss of rights. Proprietors should, therefore, be looking at the protection that they already have in the new member states and seeing whether any new claims to seniority could be made. If, for example, a proprietor has a CTM registration and a Polish registration for the same mark and the goods and services covered by the Polish registration are contained within the CTM registration, then, provided seniority is claimed from the Polish registration in relation to the CTM registration, the Polish registration can be allowed to lapse.

6. And Finally-

Beware of the temptation to expand use of a trade mark into new EU member states simply because an existing CTM registration will cover those member states. Where the CTM was filed before the date of enlargement, and particularly before 1st

November 2003, its existence gives no comfort that use of the mark registered will not infringe earlier rights in new EU member states. Trade mark searching is, therefore, highly advisable.

As usual with a summary note, we have only been able to deal with matters in a general fashion. For advice on specific situations, please contact us.

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Countries Currently Covered by a CTM prior to 1st May 2004

Austria	Finland	Portugal
Belgium	Italy	United Kingdom
Netherlands	Germany	Ireland
Luxembourg	Sweden	
Spain	Denmark	
France	Greece	

Additional Countries Covered by a CTM as of 1st May 2004

Cyprus	Lithuania
Czech Republic	Malta
Estonia	Poland
Hungary	Slovak Republic
Latvia	Slovenia

Common Mistakes

Neither Norway nor Switzerland are covered by a CTM!