

European Union

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1. Legal framework

The Community trademark (CTM) was established by the Community Trademark Regulation (40/94/EC). The CTM is a supra-national right providing registered trademark protection throughout the 27 member states of the European Union, while sitting alongside national trademark and other IP rights. The CTM will also cover new member states when they join the European Union (Article 159a of the CTM Regulation).

The CTM is administered by the Office for Harmonization in the Internal Market (OHIM) based in Alicante, Spain. The European Court of Justice (ECJ) is responsible for matters of interpretation of CTM law.

Other important legislation includes:

- Regulation 2868/95 implementing the CTM Regulation;
- Regulation 2869/95 on the fees payable to OHIM; and
- Regulation 216/96 on the rules of procedure of the OHIM Boards of Appeal.

Consolidated versions of this legislation are available at <http://oami.europa.eu/en/mark/aspects/reg.htm>.

2. Unregistered marks

CTMs can be obtained only through registration (Article 6 of the CTM Regulation).

The national laws of various EU member states provide for unregistered trademark rights, but these cannot be enforced on a pan-European basis.

3. Registered marks

Ownership

Any natural or legal person, including authorities established under public law, may be the proprietor of a CTM (Article 5 of the CTM Regulation). Previous restrictions on CTM ownership have now been removed.

Requirements for protection

A sign is eligible for protection as a CTM if it is:

- capable of being represented graphically; and
- capable of distinguishing the goods and services of one undertaking from those of other undertakings (Article 4 of the CTM Regulation).

Non-exhaustive examples of signs which may constitute CTMs are given in Article 4 of the CTM Regulation and include words, personal names, designs, letters, numerals and the shape of goods or their packaging.

The ECJ provided guidance on the graphical representation requirement in *Sieckmann* (Case C-237/00), where it held that the purpose of this requirement is to ensure that the sign can be precisely identified. The graphical representation must be “clear, precise, self-contained, easily accessible, intelligible, durable, unequivocal and objective”. In effect, *Sieckmann* ruled out the valid registration of olfactory marks (in that case, a smell described as “balsamically fruity with a slight hint of cinnamon” for services in Classes 35, 41 and 42) until technology provides a precise method for recording smells.

Similarly, currently taste marks cannot meet the requirements for graphical representation (Case R-120/2001-2).

The ECJ has also considered sound marks, re-affirming the *Sieckmann* criteria for graphical representation by ruling against the description

“a cock crow” and its onomatopoeic representation (“kukelekuuuuu”) in *Shield Mark* (Case C-283/01). However, although the ECJ ruled against various descriptions of “the first nine notes of ‘Für Elise’”, it has held that a tune represented on a musical stave will meet the *Sieckmann* criteria.

Single colours (*Libertel*, Case C-104/01) and combinations of colours (*Heidelberger Bauchemie*, Case C-49/02) are registrable. To ensure the durability of the colour representation, it is best to provide the relevant colour code from an internationally recognized colour identification system such as Pantone or RAL.

Although not yet considered by the ECJ, there is no reason why holograms and marks involving movement cannot meet the *Sieckmann* criteria; OHIM accepts movement marks where the graphical representation depicts the various images and their order.

Article 7(1) of the CTM Regulation provides that the following are not registrable as CTMs (referred to as refusal on absolute grounds):

- trademarks that are devoid of any distinctive character;
- trademarks that consist exclusively of signs or indications which may serve in trade to designate the kind, quality, quantity, intended purpose, value, geographical origin or time of production of the goods or rendering of the service, or other characteristics of the goods or service;
- signs or indications that have become customary in the current language or in trade;
- shapes that result from the nature of the goods themselves, are necessary to obtain a technical result or give substantial value to the goods;
- trademarks which are contrary to public policy or to accepted principles of morality;
- deceptive trademarks;

- trademarks that include badges, emblems or escutcheons other than those covered by Article 6ter of the Paris Convention and which are of particular public interest, unless appropriate consent has been given; and
- geographical indications or designations of origin for goods which do not have such origin.

A CTM application will be rejected even if the disqualifying factor applies only in part of the European Union (Article 7(2) of the CTM Regulation).

The first three of the listed absolute grounds for refusal can be rebutted by evidence of distinctiveness acquired through use in relation to the goods or services for which the CTM has been applied. This may pose a difficulty for non-traditional trademarks, where consumers may need to be educated to understand a sound, shape or colour as a badge of origin, as a non-traditional mark is usually used together with a word or other traditional trademark. The ECJ overcame this difficulty in *HAVE A BREAK* (Case 353/03), ruling that the distinctive character of a mark may be acquired through use of such mark as part of or in conjunction with other trademarks.

4. Procedures

Examination procedure

CTM applications may be filed with:

- OHIM; or
 - the national IP office of an EU member state, which will send the application to OHIM.
- The filing date for the application is the date of receipt at the national office, provided that the application is received by OHIM within two months of filing with the national office.

Since October 1 2004 applicants can also designate the CTM as a whole for an

international registration filed with the World Intellectual Property Organization.

An application to OHIM must contain:

- a representation of the trademark;
- a list of the goods and services claimed;
- information identifying the applicant; and
- a request for registration of the mark.

In practice, many applications are filed using the form provided by OHIM (oami.europa.eu/eu/mark/marque/form.htm) or filed electronically (secure.oami.europa.eu/efiling/efervlet?langId=EN&result=init&reloadable=YES#top).

Electronic filing has the advantage of:

- providing an instant receipt and application number;
- offering discounted official fees; and
- ensuring specifications are correct as filed (because they are not retyped by OHIM).

The official fee for an application in up to three classes is €900, and €150 for each additional class. To encourage electronic filing, applications filed in this manner have a reduced fee of €750 for up to three classes, plus €150 for each additional class. As a rule of thumb, where registered trademark protection is sought in three or more EU member states, a CTM is cheaper than national filings.

The goods or services specified in the application must be classified in accordance with the Ninth Edition of the Nice Classification; in practice, OHIM is helpful in reclassifying misclassified goods or services.

OHIM examines CTM applications only on absolute grounds. Applicants are given two months to respond to any objections on absolute grounds. If an objection on absolute grounds is maintained, it may be appealed to the OHIM Boards of Appeal.

To encourage use of the CTM system, the CTM Regulation provides for seniority based on

earlier national registered trademark rights. An applicant for a CTM may claim seniority of earlier national rights if the 'triple identity' test is met - that is, the mark, owner and goods or services are identical. Once seniority is accepted by OHIM, the earlier national registration can be allowed to lapse without loss of the earlier rights.

Searches

OHIM does not examine on relative grounds. Thus, prior rights are not cited *ex officio* against a CTM application. Rather, OHIM conducts a search of its database for marks which it considers to be similar and which are applied for or registered with respect to similar goods or services to those in the application. The resulting search report is provided to the CTM applicant. Prior CTM owners are also notified of the CTM application to provide them with an opportunity to oppose the application.

Since March 10 2008 OHIM has provided an optional search facility in which the following 16 EU member states participate: Austria, Bulgaria, Czech Republic, Denmark, Finland, Greece, Hungary, Ireland, Lithuania, Poland, Portugal, Romania, Slovakia, Spain, Sweden and the United Kingdom. Previously, searches for these countries plus Benelux were provided automatically with the report for the CTM database. Now applicants wanting these searches must request the additional search reports at the time of filing the CTM application, for an additional fee of €192. It is not possible to opt for only some of the national search reports.

The search of the CTM Register will still be conducted for all applications for no additional fee.

Given the inconsistent search methods used by the various national offices, the absence of major jurisdictions including France, Germany and Italy and the additional costs and delays, few CTM applicants are likely to opt for national searches.

Opposition

Following publication of the application, prior rights owners may file opposition proceedings during a non-extendible three-month period. The official fee to file opposition proceedings is €350, regardless of the number of grounds invoked.

Under Article 8 of the CTM Regulation, prior rights owners may rely on prior:

- CTMs;
- trademarks registered in an EU member state or at the Benelux Trademark Office;
- international trademarks under the Madrid Union having effect in a member state, the Benelux territory or the European Union; and
- marks that are well known in a member state within the meaning of Article 6bis of the Paris Convention.

An opponent may also rely on a trademark application that later matures to a relevant registration (Article 8(2)(b) of the CTM Regulation).

At opposition, a CTM application will be refused if:

- it is identical to an earlier trademark and the goods or services for which registration is sought are identical to those for which the earlier trademark is registered (Article 8(1)(a));
- due to its identity with or similarity to the earlier trademark and the identity or similarity of the goods or services, there exists a likelihood of confusion, which includes the likelihood of association (Article 8(1)(b)); or
- it is identical or similar to an earlier trademark with reputation and use without due cause of the applied-for trademark would take unfair advantage of, or be detrimental to, the distinctive character or repute of the earlier trademark (Article 8(5)).

A trademark is identical to an earlier trademark where it reproduces, without any modification or addition, all the elements constituting the mark or, where viewed as a whole, it contains differences so insignificant that they may go

unnoticed by the average consumer (*LTJ Diffusion v Sadas (Arthur et Felice)* (Case C-291/00)).

The assessment of the similarity between two marks must be based on the overall impression produced by the two marks, particularly bearing in mind their distinctive and dominant components.

The visual, phonetic and conceptual similarities between the signs are taken into consideration.

The assessment of the similarity between the goods or services must take all relevant factors into account, including:

- the nature of the goods or services;
- their intended purpose and method of use; and
- whether they are competing or complementary.

The vast majority of oppositions fall under Article 8(1)(b) and require an assessment of the likelihood of confusion. Likelihood of confusion must be assessed globally, taking into account all relevant factors including, according to *Lloyd Schuhfabrik Meyer v Klijsen Handel* (Case C-342/97):

- the degree of similarity between the relevant marks;
- the degree of similarity between the relevant goods or services; and
- the degree of distinctiveness of the earlier mark.

A lesser degree of similarity between the goods may be offset by a greater similarity between the marks and vice versa (*Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* (Case C-39/97)).

Oppositions under Article 8(5) can be difficult to prove, sometimes requiring substantial evidence of reputation. Article 8(5) originally applied only if the goods specified in the CTM application were different from those for which the earlier trademark had reputation. In *Davidoff & Cie SA v Gofkid* (Case C-292/00) the ECJ expanded the interpretation to include all goods and the CTM Regulation has since been amended to reflect this.

In order for Article 8(5) to apply:

- nominal use of the CTM applied for must be without due cause and must take unfair advantage of the earlier right ('piggybacking') or be detrimental to its distinctive character ('dilution') or repute ('tarnishment'); and
- it is insufficient that, on seeing the mark applied for, consumers call to mind the earlier mark with reputation – instead, they must create a link between the marks such that it affects their economic behaviour (*Adidas-Soloman v Fitnesworld* (Case C-408-01)).

Opposition is also available in relation to CTM applications filed without consent by an agent or representative, or on the basis of non-registered national trademark rights of more than mere local significance where the sign confers on its proprietor the right to prohibit the use of the later trademark.

Once the opposition is deemed admissible by OHIM, the proceedings enter a two-month cooling-off period to encourage the parties to resolve their differences. This period may be extended at the request of both parties for a further 22 months. At any time either party may unilaterally opt out of the extended cooling-off period, at which point the adversarial proceedings will begin.

After the cooling-off period has ended, each party may file observations and evidence in support of its case. OHIM will then issue a decision (including in relation to costs) on the information available to it.

If the mark upon which the opposition is based has been registered for more than five years as at the date of publication of the contested CTM application, the opponent may request proof of the genuine use of the prior mark. OHIM provides a two-month period in which to file proof of genuine use.

If the application is refused registration on absolute or relative grounds, the applicant has three months within which it may convert the CTM application into national applications in any EU member state where the objection does not apply. Such national applications benefit from the original CTM filing date, but national official fees must be paid and national representatives appointed. This can be a costly back-up option.

Registration

Once the CTM application is accepted for registration, and subject to payment of the registration fee of €850 for up to three classes (and €150 for each additional class), the CTM will be registered.

Provided that there are no objections or oppositions, the registration procedure usually takes between nine and 15 months from the filing date.

A CTM lasts for 10 years from the date of application and may be renewed for further 10-year periods. The official fees for renewal are €1,350 if the renewal is filed electronically, or €1,500 if filed otherwise, for up to three classes. There is an additional official fee of €400 for each additional class.

Removal from register

Surrender: A CTM may be surrendered by the proprietor in respect of some or all of the goods or services for which it is registered (Article 49 of the CTM Regulation). There is no official fee.

Revocation: If a CTM is not genuinely used for a period of five years from the registration date, it may be revoked for non-use (Article 50 of the CTM Regulation).

In *Ansul BV v Ajax Brandbeveiliging* (Case C-40/01) the ECJ provided some guidance on what is considered 'genuine' use. To be genuine, use

must be warranted in the economic sector concerned to maintain or create a share in the market for the goods or services protected by the mark. Consideration must be given to:

- the nature of the goods or services at issue;
- the characteristics of the market concerned; and
- the scale and frequency of use of the trademark.

A CTM may also be revoked if:

- as a result of the activity or inactivity of the proprietor, the trademark has become the common name in the trade for the product or service in respect of which it is registered; or
- as a result of the use made of it by the proprietor or with its consent, the mark is liable to mislead the public, particularly as to the nature, quality or geographical origin of the goods or services.

Revocation of a CTM is not *ab initio*.

Invalidation: Invalidation of a registration may be based on:

- absolute grounds (Article 51 of the CTM Regulation);
- relative grounds (Article 52 of the CTM Regulation); or
- bad faith (Article 51 of the CTM Regulation).

Under Article 51(1)(b), a registration must be declared invalid if the registrant was acting in bad faith at the time the application was filed.

Bad faith may include:

- dishonest intention (*Trillium*, Case C-000479899/1);
- unfair practices involving a lack of good faith towards OHIM or based on infringing a third party's rights (*Surene Pty Ltd v Multiple Marketing Ltd*, Case C-000053447/1); or
- filing the application without any genuine business such that the mark would not in fact be used in trade, or filing for the purpose of stockpiling the mark with the expectation

of extracting money from the true owner of the mark (OHIM Bad Faith Case Study, January 31 2003).

In addition to the relative grounds discussed above, an invalidity action may be brought on the basis of other rights, such as a right to a name or personal portrayal, copyright or another industrial property right (Article 52(2) of the CTM Regulation).

Acquiescence for more than five years is a defence to invalidity proceedings, with the exception of bad-faith proceedings (Article 53 of the CTM Regulation).

Invalidation is *ab initio*.

The duration of revocation or invalidity proceedings depends largely on the parties. However, a decision is rare within 18 months and may take several years or more.

5. Enforcement

CTM infringement actions are brought before CTM courts. These are (usually) specialist trademark courts of EU member states which are designated to have jurisdiction over CTM infringement proceedings (Article 91 of the CTM Regulation).

Under Article 93 of the CTM Regulation, an action for infringement of a CTM must be brought before:

- the court of the member state in which the defendant is domiciled or has an establishment (if within the European Union);
- if the defendant is not domiciled and has no establishment in the European Union, the court of the member state in which the plaintiff is domiciled or has an establishment (if within the European Union); or

- if neither the defendant nor the plaintiff is domiciled or has an establishment in the European Union, the court in Spain (as the seat of OHIM).

If properly seized of jurisdiction in accordance within the above cascading rule, the CTM court will have pan-European jurisdiction and will therefore be able to issue injunctions and award damages in respect of all EU member states.

A plaintiff may also commence CTM infringement proceedings in any EU member state in which infringement is occurring; however, available remedies relate only to that member state and are not pan-European.

The grounds for infringement are the same as for oppositions on relative grounds.

Pursuant to the EU IP Rights Enforcement Directive (2004/48/EC), the remedies available for trademark infringement are harmonized across EU member states and must include:

- injunctions, including *ex parte* and preliminary injunctions;
- damages or accounts of profits (but not punitive damages);
- delivery up or destruction of infringing products and the tools used to make them;
- publication of the infringement decision;
- a requirement for information on other infringers; and
- costs.

Not all member states have complied with the IP Rights Enforcement Directive.

In practice, enforcement of CTMs remains divergent between EU member states and CTM proprietors should consider carefully which CTM court(s) to use when a choice is available.

Preliminary measures can be obtained from some CTM courts in a matter of days or weeks. The

time taken for final judgment varies widely – from six months to many years, depending on the member state.

6. Ownership changes – legalization requirements

There are no legalization requirements to prove the change of ownership of a CTM. A request can be filed with OHIM (usually using the official form) and there is no official fee.

No legalization is required for the recordal of a licence.

7. Areas of overlap with related rights

The CTM system sits alongside other pan-European IP rights (eg, registered and unregistered Community design rights) and IP rights in EU member states. Although technically the overlap of rights should not limit the rights available, in practice, for example, the introduction of registered Community designs has seen a hardening of approach at OHIM to CTM applications for three-dimensional marks that may also be properly filed as registered Community designs.

Thus, a sign may be protectable as:

- a CTM;
- a national trademark;
- a registered Community design;
- a national registered design;
- a Community or national unregistered design right;
- a copyright work; and
- under other national laws, another type of right such as a title right (in Germany) or an unregistered right, such as passing off or unfair competition.

As logos and three-dimensional objects can be filed as registered Community designs, trademark owners should consider filing registered Community designs as part of any trademark filing programme.

8. Online issues

Since December 7 2005 anyone based in the European Union, including individuals, organizations and companies, may apply to register a '.eu' domain name.

Since their inception over 1 million '.eu' domain names have been registered – it is now the eighth most popular top-level domain after '.com', '.de', '.net', '.cn', '.uk', '.org' and '.info'.

The '.eu' domain has an alternative dispute resolution policy to resolve disputes over ownership of domain names. This includes proceedings on behalf of owners of CTMs and national trademarks in EU member states. The procedure is administered by the Czech Arbitration Court (see www.adr.eu).

The alternative dispute resolution process for '.eu' disputes is similar to the Internet Corporation for Assigned Names and Numbers Uniform Dispute Resolution Policy, and requires that:

- the domain name registrant has no right or interest in the name; or
- the domain name was registered in bad faith.

Of disputes initiated during 2007, nearly 90% were decided in favour of the complainant.

