

A European success story

It is 10 years since the Community trademark was launched. Since then, it has helped transform European trademark practice. Experienced practitioners from the United Kingdom, Germany, Poland and Italy discuss the impact it has had

The Community trademark (CTM) is one of the great success stories of the European intellectual property system. Now in its 10th year, it has found increasing favour not only from large multinational corporations, but also with small and medium-sized businesses: without doubt, the CTM is now on the radar screens of all those responsible for developing trademark filing strategies for Europe. And that's not all: during its 10-year existence, the CTM has also helped in the establishment of what is increasingly a fully harmonized trademark regime in the 25 countries of the European Union. In short, during its still young life, it has made a huge difference.

To mark the 10th anniversary of the CTM's birth, four trademark experts from different EU member states came together to discuss its impact and how it might develop with *WTR* editor in chief, Joff Wild. They were: John Olsen of Field Fisher Waterhouse in London; Henning Hartwig of Bardehle Pagenberg et al in Munich; Slawomira Piotrowska of Patpol in Warsaw; and Pier Luigi Roncaglia, of Società Italiana Brevetti in Florence.

Joff Wild: The Community trademark (CTM) has now been in operation for 10 years. How much has it changed trademark practice in Europe?

John Olsen: The CTM system introduced a single registration procedure through a single central European organization, namely the Office for Harmonization in the Internal Market (OHIM) in Alicante, Spain, thus avoiding the need to file individual national registrations throughout the member countries of the European Community. From the outset the CTM had the potential to transform the landscape regarding brand

protection in the European Union radically. Consider the fact that it is multi-jurisdictional; it incorporates a uniform approach throughout the European Union to the central questions arising in connection with brand protection; it expanded statutory protection of marks in such a way that unfair competition law in many ways is now bypassed and, to the extent that unfair competition law is applicable, it is also *de facto* multinational in approach; and it introduces the jurisprudence of the European Court of Justice (ECJ) to the issue of the scope of brand protection in the European Union. The ECJ has become both a court interpreting the law governing the CTM and the court of last resort from national courts on branding issues.

The net effect of the CTM during the last 10 years has been profound. It works to knit together the economies of all member countries as it was intended to do. Brand owners must always now consider their branding strategy in European terms – both affirmatively and defensively – with the CTM firmly in mind. It is doubtful that the architects of pan-national European institutions beginning with Jean Monnet himself have created any body with a more central role in uniting European commercial life than the CTM.

Henning Hartwig: I would call the implementation of the CTM system the deepest change to trademark practice in Europe during the last decades. Registration and enforcement of trademarks have always been the business of national authorities. Therefore, only very basic knowledge of the trademark system in other countries was necessary. Nowadays, day after day practitioners from different countries face each other in CTM proceedings before OHIM, the Court of First Instance (CFI) or the ECJ.

For this reason, the CTM has certainly sharpened practitioners' views on cross-border developments, such as the major trends in national jurisdictions or transnational enforcement of judgments. Legally, the European trademark community is moving together, with a focus on similarities and interactions rather than on discrepancies.

Slawomira Piotrowska: Trademark practice in Europe has been going through a major period of change over the last decade and it all began when OHIM was established for registration of CTM trademarks and started to operate on April 1 1996.

At the same time the CFI and the ECJ in Luxembourg have been busy interpreting legislation and setting the limits for registrability with regard to CTMs.

A trademark owner seeking protection for his mark now has three ways to get protection in the European Union: the national route – filing applications in each country individually; the international route, via the Madrid Agreement and Protocol; and the CTM route.

The last route originally concerned only the 15 member states of the European Union, but from May 1 2004 onwards it has been extended to the 10 new member states.

On that day, Poland, along with nine other candidate countries – Cyprus, Czech Republic, Estonia, Hungary, Lithuania, Latvia, Malta, Slovenia and Slovakia – became a full member of the European Union and, since then, Polish trademark owners have had the ability to file CTM applications in Polish, which has significantly simplified application proceedings. As part of the integration process, the rights of current CTM owners were automatically extended to cover those new member states which were also supposed to be putting in place new legislation to conform to EU standards.

Pier Luigi Roncaglia: The CTM has obviously changed the number of national filings and international registrations made in EU member states. In fact, while domestic and purely local businesses frequently prefer to file national applications, as opposed to CTM

applications – given the risk of facing opposition and cancellation proceedings from a vast number of trademark owners in 25 member states – as John says, any national business that is planning or foreseeing an expansion into other EU countries will certainly envisage filing a CTM to decrease costs and resource expenditure. With respect to international registrations, while non-EU businesses often used the system to cover EU countries, they have replaced most of these filings with CTMs. Moreover, the CTM can now be the basis for an international registration.

Has the type of business using the CTM changed over the last 10 years and, if so, in what way?

HH: At the beginning of the CTM regime, global players still focused on national rights, because applicants and consultants were doubtful about the new system. Rather rapidly, however, the CTM system gained more and more confidence among interested parties, in particular as a result of the highly reputable work of OHIM. Therefore, most applicants today file for a CTM only, unless there are particular reasons for a national registration.

Additionally, the accession of the European Union to the Madrid Protocol in 2004 may have the effect of an increased – worldwide – internationalization of the CTM system. A CTM application or registration can be used as the basic mark for an international application, or a holder of an international application may designate the European Union for its mark. Day-to-day experience has still to prove to what extent the link between the CTM system and the Madrid Protocol is being accepted by practitioners and business circles.

As regards the type of business using the CTM system, our experience is that the size of the business does not matter, but rather the market of their products; thus, the CTM system is used by small, medium and large companies, domestic and foreign alike. As is well known, since last year German applicants have led the list of CTM applications, ahead of those from the United States.

PLR: I have not encountered differences in CTM use in terms of industries or business sectors. The only difference I can find is perhaps geographical: while the initial CTM applicants were largely European, non-Europeans – and in particular US businesses – took a little longer to adapt their trademark portfolio management

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and both file for CTM applications and use CTMs in their enforcement programmes in Europe.

JO: I have had a slightly different experience in that the type of businesses I saw initially using the CTM were large multinational organizations. Some industry sectors initially treated the CTM with some suspicion and we often found that clients wanted to file a CTM application together with a national registration in their most important jurisdictions in the European Union. This belt and braces approach gradually gave way as our clients saw how effectively the CTM was operating. As Henning says, over the years businesses have come to trust the CTM and the enforcement protection offered and now businesses tend to apply solely for CTM registrations, relying upon the CTM for enforcing their trademark rights throughout Europe. We are increasingly seeing the emergence of small to medium enterprises filing CTM applications because of the extent of protection provided in the 25 member countries, the robustness of the CTM and the significant cost savings offered by the CTM process.

The CTM is now central to virtually every European branding decision for virtually every type of business from virtually every country in the world.

SP: From a Polish perspective, a comparison of data regarding CTM applications filed by Polish applicants illustrates significant growth in the number of those applications. Increasingly, trademark owners extending their activity in the European Union are using this route of protection. The possibility of filing applications in Polish and using the services of Polish patent attorneys is an additional advantage of the system. With regards to foreign trademark owners, they mainly file CTM applications and also use the international route, while at the same time decreasing the number of national applications they file. On the other hand, the number of applications filed by Polish applicants directly with the Polish Patent Office has remained more or less at the same level since 2000.

How well does the CTM sit with national trademark rights in Europe?

PLR: I believe the CTM co-exists well with national trademark rights. In fact, there are no differences between the trademark rights



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Copyright protection in the industrial context is a current challenge in Mr Henning

Hartwig's practice. Further, he handled one of the first infringement cases in Germany regarding the enforcement of the new Community Design. He has documented his expertise with this new legal tool in several articles and in a Europe-wide database for Community Design-related court decisions.

He has also widely published in the other above-mentioned fields and is a frequent speaker on the topics of his practice.

enjoyed by the owner of a CTM and those enjoyed by the owner of an Italian, international or other national trademark. In Italy – as I believe is the case in all other member states – a CTM is treated by courts, in terms of both protection and enforcement in the country, just like a national trademark.

SP: From the perspective of accession countries, such as Poland, holders of earlier national rights in these new member states can prohibit the use of extended CTMs in case of conflict (identical or confusingly similar), provided that the earlier right was registered, applied for or acquired in good faith in the new member state before that state's date of accession. The right to prohibit the use of a CTM that is in conflict with an

earlier national right is provided for in Articles 106 and 107 of the European Trademark Regulation, and that provision is now expressly extended to the holders of rights acquired in the new member states before their date of accession. This creates a new meaning for the term 'earlier rights'. These will be national trademarks registered or applied for before accession, international trademarks, well-known trademarks, unregistered trademarks or similar signs, or other earlier rights. The exception is limited only to the territory where that national right is valid. The proprietor of such an earlier right in a new member state would not be entitled to enforce his rights against the use of an extended CTM if the earlier right was acquired in bad faith.

HH: Harmonization between the CTM regime and national trademark rights mainly depends on the acceptance and application of the standards set by the ECJ for interpreting basic trademark provisions and standards laid down in the CTM Regulation for the CTM system as well as in the Trademark Directive for national trademark laws. While first instance courts in Germany still focus on the case law provided by their specific appeal court and the German Supreme Court, the latter court has been well aware of the need to incorporate ECJ case law into the national case law so that harmonization in fact avoids and reduces the potential for conflict between the two systems.

The main principles of CTM law consist of its autonomy, unitary character and coexistence. With a view to registration proceedings with OHIM, we can notice no substantial problems with these principles. OHIM's registration departments – which are also influenced by the boards of appeal as well as by the jurisdiction of the CFI and ECJ – have developed reliable criteria for CTM applications. Furthermore, OHIM's practice is independent of national trademark traditions – an effect which has certainly strengthened the Community trademark system.

JO: The CTM complements national trademark rights in the European Union. Obviously brand owners can register marks nationally or through the CTM system or both. Because of the large number of existing national trademark registrations that remain valid, it is normally up to the strategy of the client whether they seek to rely exclusively on CTM protection or, in addition, to rely on national trademark rights. Of course, the earlier national trademarks with an earlier filing date take priority against any CTM application; however, OHIM does not examine such earlier rights on its own motion and it is up to the proprietor of the earlier right to raise this issue either by filing an opposition during the opposition period or, at any time after the registration of the CTM, by filing an application for invalidity on relative grounds. Therefore, national rights retain their significance and work in complement to the CTM.

Because of the way that national rights can sit cheek by jowl with CTM rights, a high level of vigilance is required to ensure that when applications are published for oppositions action is taken. The requirements for thoroughly monitoring such applications are quite *de rigueur* in

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continental European practice but relatively novel for brand owners in the United Kingdom, the United States and Japan.

When would you advise a client to pursue the national route as opposed to the CTM route? Is it just a matter of territorial scope or are there other issues to consider as well?

HH: Beyond the matter of territorial scope, the meaning of the trademark (eg, if written in a particular language) or the intended market (eg, if the products are to be distributed only within one member state) is certainly an argument for following national applications. As a rule, if the client is interested in more than three countries, we recommend filing a CTM.

However, as John made clear previously, an application for a CTM faces the increased risk that the application might be opposed by an older national trademark; and the basis for possible opposition of trademarks is wider because it is fed by 25 countries instead of only one. Therefore, practitioners should consider trademark availability searches prior to the CTM application as a matter of course.

Another very important issue is the time factor. The time from filing to registration varies significantly between proceedings before OHIM and different national proceedings. Therefore, depending on the facts and the urgency of the matter,

we recommend following a strategy which combines CTMs and national applications.

PLR: Obviously, most of the time it is just a matter of territorial scope. However, other issues should be considered as well. For instance, the national route can be chosen when the given trademark is distinctive in one member state but not in others, or if a mark enjoys a certain degree of reputation in only one member state.

JO: There is a question of territorial scope but not only the one implied by your question! For historical reasons, certain national registrations give an enhanced geographic coverage that the CTM route does not afford. For instance, a national UK registration is still the only door to protection in certain countries of the Caribbean and a UK registration doubles as a national registration in certain territories which are not member states of the European Union. French, Danish and Spanish national registrations provide slight enhancements to the geographic coverage as national registrations in contrast to the coverage afforded through the CTM. Consequently brand owners need to be quite conscious of the physical territories in which they require registration protection.

The other issues that need considering in this area include scope of the rights required: if the mark is only ever intended to be of local significance then a national mark is often where the process should end. A CTM, on the

other hand, can be useful in avoiding relative examination where it occurs, for example, Ireland and the United Kingdom.

Protection schemes, tactics and strategies are so fact dependent that it is essential to have an excellent level of knowledge of how the CTM is treated nationally. For instance, we have a client for whom we register marks in the CTM and separately in France. Why? Because we have found that French judges are more well disposed to enforce national rights over rights in CTMs.

SP: My colleagues all raise important points, but in the majority of cases there are three basic issues which must be taken into consideration before deciding on which route should be chosen as the most appropriate. These are: the territorial range of one’s business; the kind of mark and the relevant evaluation of potential chances of obtaining protection as a CTM mark; and the related costs.

How have courts dealt with CTM enforcement? Are there still distinct national approaches, even though the European Union is supposed to be one jurisdiction as far as the CTM is concerned?

JO: The jurisprudence of the ECJ has sought to provide a unified approach to dealing



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with CTM enforcement. Obviously national courts will still interpret the decisions of the ECJ differently and there are bound to be differences in the judgments of the national courts in interpreting the decisions of the Boards of Appeal and the CFI in addition to the ECJ. Although the CTM system has harmonized the examination of applications throughout the European Union, there are still differences and inconsistencies in the handing down of

decisions from the Opposition and Cancellation Divisions. If the matter is referred up to the Boards of Appeal or the Court of First Instance, usually there is greater harmonization in the interpretation and the application of previous cases and the CTM Regulation.

SP: As far as Poland is concerned, there is a court in Warsaw for dealing with CTM enforcement – the Court for Community

Trademarks and Community Designs. However, the court employs only one judge and information regarding the works of the court is rather obscure, as a result of which it is difficult to evaluate its effectiveness.

On the other hand, two other courts in Warsaw, the District Administrative Court and the Supreme Administrative Court, which examine complaints against the decisions of the Polish Patent Office in administrative proceedings and decisions of the Litigation Department (regarding opposition and cancellation proceedings against protection rights), take into consideration the decisions of the European Court of Justice and CFI, when examining analogous cases.

HH: To begin with, it is significant that many if not most of the trademark cases being referred to the ECJ come from the German Supreme Court or other German courts of first or second instance. In Germany, while as a matter of law 18 first and 18 second instance courts can hear CTM cases, we have only a few CTM infringement courts which routinely hear such cases, primarily the CTM courts of Hamburg, Düsseldorf, Mannheim, Frankfurt am Main and Munich. These courts are specialized in IP law and are therefore excellent for litigants. The German Supreme Court has not been called on to decide between different applications of CTM law through the various German CTM courts so far. The Supreme Court has always shown a tendency to adopt ECJ case law, for example with regard the famous *Davidoff* decision.

Apart from this, I want to underline what John has said: 25 national court systems with different sets of procedural law – even different approaches to questions of substantive law as damages or provisional measures – are likely to obstruct the development of a common CTM approach. The jurisdiction of the ECJ is only to a certain extent able to cushion the debilitating effect of 25 different national approaches to CTM law.

PLR: While I do not believe that consistent national approaches that conflict with Community case law still exist, differences in CTM enforcement between the Community courts and national courts are still encountered. Unfortunately, there are quite a number of national judges who, deeming the CFI or European Court of Justice in error, explicitly decide to go against Community decisions. One such example is the recent *Zirh* cases: *Mühlens v OHMI – Zirh*

International (T-355/02, decision of the Court of First Instance of March 3 2004) and *Mühlens GmbH & Co KG v Zirh International Corporation* (No 315 O 168/03, decision of the Regional Court of Hamburg (*Landgericht*) of May 6 2004). Here the German court explicitly disagreed with the CFI's earlier findings in terms of similarity between the marks SIR and ZIRH and rendered a conflicting decision.

When seeking to enforce a CTM, what are the most important things to bear in mind?

HH: To start with, much depends on whether the case is related to the jurisdiction of only one single member state. If so, enforcement will depend on the right choice of the competent national court. As regards CTMs, most EU member states have only one competent court; in Germany, the plaintiff can choose among several specialized courts. In case of cross-border litigation, the trademark owner may have several national jurisdictions to choose from. In this case much will depend on the economic importance of the infringement in relation to speed, effectiveness and costs of each national jurisdiction. For many, the German courts are very well placed to hear IP litigation, as regards speed, quality and costs, and especially as regards the ability to obtain preliminary injunctions quickly, often without a prior hearing.

Furthermore, the strength of the CTM itself is very decisive. Enforcing a CTM before a national infringement court is not just to win or lose the case. In fact, the opponent may try to attack and destroy the CTM – therefore, the risk of a counterclaim for revocation or for a declaration of invalidity should not be underestimated.

SP: It is very easy to enforce registered Community trademarks across the whole of the European Union through an infringement action brought before one Community trademark court. If the court decides that there has been infringement, this judgment will be enforced in all EU member states in which infringement has taken place. Further, the damages award will be based on all such infringing acts. Finally, an injunction against any further infringement may be obtained for

One should bear in mind that decisions of the national Community trademark courts cannot be appealed to the ECJ, although they may be appealed to the

designated national Community trademark courts of appeal. The ECJ has jurisdiction only in cases where, for example, questions have been referred to it by the Community trademark court concerning the interpretation of a provision of the Community Trademark Regulation.

It is also worth remembering that the timeframe for an infringement action depends on the national law and judicial practice in the country in which the action is lodged.

In the case of an invalidation action, however, if the owner of a prior trademark has tolerated the use of a later trademark for five consecutive years, and the later registration was not obtained in bad faith, the owner of the prior trademark is precluded from bringing an infringement action on this basis.

PLR: There are no differences in enforcing a CTM in Italy as opposed to a national trademark. The only exception is the proof of ownership: while for an Italian trademark the assignment or licence of the same does not need to be recorded with the Italian Patent and Trademark Office, as an assignment, licence of or other ownership interest in an Italian mark is valid upon execution of the assignment, licence or other ownership interest deed, a change of ownership or licence of a CTM must be recorded with OHIM in order to be effective and enforceable. Therefore, for example, unlike an Italian mark, an assignee of a CTM will not be able to enforce the mark unless the assignment has first been recorded with the OHIM.

Possibly a peculiarity of the Italian system is that it should also be borne in mind that it is possible to apply for injunctive relief on the basis of a pending CTM application.

JO: The most important things to bear in mind when seeking to enforce a CTM are the post-registration use requirements and evidence requirements. The CTM allows applicants to file a broad specification of goods and services and it is important to remember that in order to maintain a valid registration, the proprietor must use the mark as registered. We often find that a party to an action meets defeat in bringing or defending opposition or cancellation proceedings because it has not retained sufficient evidence of use of the trademark in the relevant countries of the European Union. Brand owners should ensure that there is an internal process for maintaining an evidence reservoir where all indicia as to

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use of the mark as registered in the European Union covering the particular goods and services as registered.

A CTM is vulnerable to revocation for non-use five years from the registration date if it is not in use. Moreover, the burden of proof of use is placed upon the opponent in opposition proceedings; therefore, once the registration is over five years old from the registration date, if the earlier rights relied upon in the proceeding are not in use, OHIM will disregard the earlier right in its entirety for the purposes of the opposition/cancellation. Equally, in enforcements before a CTM court, relying on a mark which has not been used for more than five years is most likely doomed to fail. Accordingly, in terms of enforcement of the CTM, it is vitally important to make use of the mark as registered and maintain

evidence of use on file. Invariably the success or failure of most oppositions/cancellation actions depends on the quality of the clients' evidence.

What do you consider to be the most important CTM-related court cases of the last 10 years and why?

PLR: I would consider the following as some of the most important CTM-related court cases; while some concern the interpretation of the EU Trademark Directive and not the CTM Regulation, they obviously have the same impact on the CTM system.

The 2001 decision of the ECJ in *Procter & Gamble Company v OHIM (Baby-Dry)* was a landmark case with respect to the notion of distinctiveness of composite marks. The ECJ

held that: "As regards trademarks composed of words, such as the mark at issue here [BABY-DRY], descriptiveness must be determined not only in relation to each word taken separately but also in relation to the whole which they form. Any perceptible difference between the combination of words submitted for registration and the terms used in the common parlance of the relevant class of consumers to designate the goods or services or their essential characteristics is apt to confer distinctive character on the word combination enabling it to be registered as a trademark."

In the 2002 case of *Arsenal Football plc v Matthew Reed*, the ECJ held that where a third party uses in the course of trade a sign which is identical to a validly registered trademark on goods which are identical to those for which it is registered, the trademark proprietor of the mark is entitled to prevent that use irrespective of the fact that, in the context of that use, the sign is perceived as a badge of support for or loyalty or affiliation to the trademark proprietor. This case is important because the notion of post-sale confusion was for the first time mentioned in Community case law.

Davidoff & Cie SA v Gofkid Ltd (Davidoff and Adidas Salomon AG) and Adidas Benelux BV v Fitnessworld Trading Ltd (Adidas), both handed down in 2003, were cases which confirmed that, notwithstanding the fact that Article 5(2) of the EU Trademark Directive (and, equally, Article 9.1(c) of the CTM Regulation) refers expressly only to the use of a sign by a third party in relation to goods or services which are not similar, that provision is to be interpreted as entitling the member states to provide specific protection for a registered trademark with a reputation in cases where the later mark or sign, which is identical or similar to the registered mark, is intended to be used or is used in relation to goods or services identical with or similar to those covered by that mark.

Praktiker Bau- und Heimwerkermärkte AG was handed down in 2005. After a period of uncertainty on the notion of what constitutes 'services' within the meaning of Article 2 of the EU Trademark Directive, the ECJ finally clarified that the concept is to be interpreted as including services provided in connection with retail trade in goods, and that the registration of a service trademark in respect of such services does not require the specification of the actual services in question.

Another 2005 case was *Medion AG v Thomson Multimedia Sales Germany & Austria GmbH*. Here, the ECJ was called upon

Community courts should be more open to considering the doctrine and case law of member states with long-established legal traditions in the trademark law field

by the German Court of Düsseldorf to give a preliminary ruling on whether, within the meaning of Article 5(1)(b) of the Trademark Directive, there may be a likelihood of confusion when the later sign is composed of another's company name and an earlier registered mark which, although not dominant, has an independent distinctive role therein. The ECJ, in taking into consideration the German case law and conflicting scholars' view on the issue, deviated from its previously settled case law concerning similarity between composite marks where one component dominates the others by holding that likelihood of confusion must be found where the identical part, although not necessarily dominant, has an independent distinctive role in the contested sign.

HH: The cases previously mentioned by Per Luigi are obviously all very important. From a German practitioner's standpoint, another crucial case was the ECJ ruling in *re Puma/Sabèl*, which set the stage for the likelihood of confusion analysis, and *Canon*, the leading case on similarity of goods, both references from the German Supreme Court. The most recent ECJ decision in *Life/Thomson Life* also promises to have a major impact on the German case law. Although these decisions dealt with the interpretation of the Trademark Directive, not the CTM Regulation, German trademark practice is applying the above decisions with regard to the CTM system as well.

JO: Arguably one of the most important and influential line of cases is *Merz & Krell GmbH & Co*, which firmly established that the CTM does not replace, but co-exists alongside, national trademarks and each national office proceeds to the examination in accordance with the national law transposing the Council Directive of December 21 1988 to approximate the laws of the member states relating to trademarks.

Other cases which are of importance include *Postkantoor*, *Doublemint* and *Baby-Dry* concerning the distinctive character of a trademark which changed Registry practices as far as absolute grounds objections were concerned in the European Union. The *Windsurfing Chiemsee Case* held that descriptive signs and descriptive geographical marks should be available for use by all; and *Ansul*, which is one of the more important cases dealing with genuine use.

The *Ansul* decision sought to clarify the position in relation to use and considered to what extent trademark use is considered genuine use in the European Union. There has been some discussion on the concept of genuine use at OHIM following *Ansul* particularly, that use should be recognized in accordance with more of an emphasis on the extent of the use in the proprietor's industry. For example, an enquiry would be made into whether the relevant party's use represents significant use in the market in which it operates and not just an enquiry in to use in particular jurisdictions only.

When the European Union expanded, many predicted that there would be significant CTM-related problems in the new member states. Has this been the case?

SP: It does not appear to me to be so. However, it may be too early for highlighting the CTM-related problems that might have potentially arisen.

There was a discussion over a problem regarding the date of the converted extended CTM. However, the matter was unequivocally settled by Decision No EX-06-4 of the President of OHIM, dated March 23 2006. Paragraph 12, Part B, Examination – Guidelines concerning the proceedings before OHIM, was changed, so that conversion is also possible when the converted CTM has a filing date prior to May 1 2004. However, in this case, the converted application will, in a new member state, have the earlier right effects under national law. National law in new member states has enacted provisions equivalent to Article 159a (ex Article 142a) in the sense that extended CTMs have earlier right effect in the new member state only with effect from May 1 2004.

PLR: My experience is similar to Slawomira's so far. While at the time of accession of the 10 new member states, a lot of discussion took place as to the effects prior existing national rights in in these countries would have on pre-existing CTMs, I have yet to encounter any problems.



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JO: From the date of accession on May 1 2004 CTMs registered or applied for before the date of accession were extended to the 10 new member states and therefore had equal effect throughout the enlarged European Union. This was of particular benefit for CTM applicants/proprietors as they automatically received the benefit of extending their trademark to 10 additional countries. At this stage, we too believe that the integration has gone remarkably smoothly. Any troubles are quite individualized into only local spots of bother. The transitional provisions provided in the CTM Regulation sought to ease

problems from the accession of the new member states and although there were initially some teething problems, overall I have not noticed any significant problems with the accession of the new member states. For instance, OHIM and the offices of the new member states have cooperated with the aim of facilitating the identification of the cases of bad faith in order to combat bad-faith applications arising from the accession.

HH: Taking the German point of view, since the Berlin Wall came down there have been some major decisions on the co-existence of

conflicting trademarks stemming from the eastern and western parts of Germany. However, as regards co-existence between national trademarks or CTMs on the one hand and national trademarks from the new EU member states on the other, we have experienced no particular difficulties and no German case law has been reported or published so far.

How well integrated into the CTM system are the new EU member states?

SP: As I see it, there are no problems with integrating the CTM system. As a result of training programmes organized by the Polish Patent Office and the Polish Chamber of Patent Attorneys, as well as the contacts with OHIM, the system is well known. However, more attention should be paid to the training of judges.

HH: The process of integrating the new EU member states is working quite satisfactorily, although further efforts from both old and new members are still necessary. Germany had some specific experiences with integrating the so-called new territories of the former German Democratic Republic. Exchange of practitioners can be one of the most important and efficient means to adjust the level of the old and new EU member states.

JO: Again, we see this as having been quite a positive process. The introduction of strategies between the national offices of member countries and OHIM, for example, dealing with instances of bad faith have largely avoided problems with the integration of the new countries into the European Union.

What do you think could be done to improve the CTM system?

JO: Overall, the CTM system is operating effectively, although we do get complaints from clients regarding the long delays in processing applications to registration and dealing with oppositions. I believe the implementation of the new cooling-off procedure will reduce the administrative burden of OHIM and may free up case examiners' time to deal with oppositions/cancellations more expeditiously. We also experience troubles from time to time with the electronic filing system but, overall, the system is operating effectively and we find that same is of benefit to brand owners.

More attention to the due process of law would be important. Not infrequently OHIM introduces new procedures with retroactive effect. This needs to be avoided at all costs. When a new procedure is introduced it should have a transitional phase and then a cut-off date. Retroactive legislation is inherently unjust but it is, we would suggest from OHIM's point of view as well, unnecessary.

HH: Since the CTM system operates on the basis of harmonization and acceleration, interaction should be improved between legislators and those who apply the laws (including national courts and trademark offices) in order to enhance transparency and adjustment, in particular by way of institutional meetings and path-finding (beyond classic lobbying events such as INTA, Marques or ECTA).

PLR: The predictability of court rulings is the most important asset in any legal system. It helps market players to take informed decisions and practitioners to give proper assistance and guidance to businesses in making those decisions. The European Union is a single market and businesses need to operate in this territory without encountering restrictions or different treatment in any of its portions. Consequently, to ensure the predictability of court decisions in the EU territory a certain degree of harmonization of the decisions of national courts and Community courts is an absolute must.

The areas in which I believe improvement would be more welcome are, for example, cooperation among Community courts and national courts. In particular, Community courts should be more open to considering the doctrine and case law of member states with long-established legal traditions in the trademark law field.

OHIM in particular should be more careful in controlling its unfortunate tendency to go against its own decisions before the CFI or ECJ.

National courts with sufficient knowledge in IP law should be more respectful of Community case law. On the one hand, they should follow this case law when it is uniform and well settled, irrespective of the personal beliefs of a given judge. On the other, where the EU case law is not clear or settled, courts of all member states – rather than of just a few, as happens now – should request interpretative preliminary rulings on Community law from the ECJ.

Member states should also look for ways to improve their courts' knowledge of IP law. The positive experience of Italy, which introduced specialized courts for all IP matters in 2003, could be taken as an example.

HH: As a follow up to Per Luigi's point, it would be most helpful if national CTM infringement court decisions were published centrally and while they were current, as is the case with OHIM opposition, cancellation and Board of Appeal decisions. Some of the national infringement case law can be found under <http://oami.europa.eu/en/mark/aspects/ctmcourt.htm>, but this is not sufficient to advise clients on a global trademark policy.

SP: Although the number of CTM applications filed by Polish trademark holders in 2005 significantly increased compared to the previous years, in my opinion the costs related to filing CTM applications are too high for small and medium-sized business entities. I am familiar with the fact that OHIM has proposed a serious reduction in costs for applications, so I am afraid that the following proposal is not going to be popular: I would suggest a reduction of costs for application/ registration in one class and making the same charges for designating the second and third class, but incurring higher charges for applications over three classes. An analogous system could be implemented with regard to renewals. As a result, registration of trademarks in one class would become much more attractive and consequently would simplify trademark searches. The reduction of costs for small business entities, at least, is to be recommended. [WTR](#)