

European Community Trademark Office Begins Accepting Applications for a European-wide Trademark Registration

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EUROPEAN COMMUNITY TRADEMARK OFFICE BEGINS ACCEPTING APPLICATIONS FOR A EUROPEAN-WIDE TRADEMARK REGISTRATION

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As of January 1, the European Community (EC) has implemented a new trademark registration system that enables trademark owners to acquire a single Community Trade Mark (CTM) registration that is effective and enforceable in the 15 countries of the EC. A CTM registrant will have the exclusive right to use the mark throughout the EC. Although this new system may not be advisable for all trademark owners, it does provide benefits for companies that have a strong presence in Europe.

Applications received at the Community Trademark Office on or before April 1 will receive the first CTM filing date and, therefore, will have priority over all subsequently filed CTM applications, except those claiming priority based on a filing in a Paris Convention country.

Nationals of the United States or of any other Paris Convention country are eligible to use this new system that will co-exist with the national trademark systems of each EC country. The EC member countries are: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, The Netherlands, Portugal, Spain, Sweden and the United Kingdom.

The CTM registration system is administered by the Office for the Harmonization in the Internal Market (also known as the Community Trademark Office) located in Alicante, Spain, and is very different from the U.S. trademark registration system. For instance, an applicant does not have to use the mark prior to issuance of the registration, but a registrant must use the mark within five years from registration to retain its rights. The current government fee to file an application is approximately \$1,300 (U.S.), and an additional \$1,400 (U.S.) fee is required if the mark is registered. U.S. nationals must be represented by a legal practitioner from one of the EC countries.

We set forth below some of the advantages and disadvantages of using this new registration system.

Advantages of Filing CTM Application

- 1) A trademark owner could potentially achieve significant cost savings over the current registration practice of filing separate applications for each EC country, hiring separate foreign counsel, and renewing and maintaining registrations in 15 EC countries.

- 2) The CTM registration gives a uniform right in all EC countries and requires use of the mark in only one EC country to retain protection for the mark throughout Europe.
- 3) An application filed prior to April 1 will receive the first filing date for a CTM and will, therefore, have priority over all subsequent CTM applications, except those claiming priority based on a filing in a Paris Convention country.

Disadvantages of Filing CTM Application

- 1) A CTM registration may be difficult to obtain because third parties with prior rights in any of the 15 EC countries may prevent registration. There is a likelihood that some CTM applicants may face numerous oppositions to registration.
- 2) The costs of oppositions could be significant, especially in view of the fact that a losing party in a CTM opposition may have to pay at least a part of the attorneys' fees of the other party.
- 3) Because of the possibility of many oppositions, in most cases it will be advisable to conduct careful searches prior to filing a CTM application.
- 4) There are many uncertainties regarding the procedure and substance of this new trademark registration system.

Who Should Consider Filing?

- 1) Trademark owners who already own trademark registrations in some EC countries and, thus, already know of potential opposers.
- 2) Trademark owners who own trademark registrations in every EC country, but who may be vulnerable to cancellation for nonuse in some EC countries.
- 3) Trademark owners who have or expect to have substantial business in Europe.

Michael F. Clayton
Nancy L. Rowe