

registration obtained via the Madrid system is equal to a bundle of national registrations. This gives rise to potentially differing assessments of the same sign, despite certain harmonisation of substantive trade mark law on supranational and international levels. The upside for the proprietor is that one opposition bears the power to merely annul the trade mark in one country.<sup>716</sup>

The point of geographic scope of protection nicely shows how legal and strategic issues can be intertwined, as the issue for which countries protection is sought should be addressed in accordance with the overall business strategy before implementation of the respective strategic decision by way of legal means. Like in the case of the quantitative scope of protection, such strategic considerations need to include a cost-benefit analysis for each respective territory envisaged. In consequence, the experts assessing the legal and the business strategic dimension of the SIM need to attend to not operationalising this same issue twice. A fact statement relating to whether the geographic scope of protection of the respective trade mark is adequate can only be included in either of these dimensions.

#### 5.4.2 Findings – Relation to Brand Value

Similar to the quantitative scope of protection, the general rule is that a trade mark is more valuable the more countries it covers. The more territories the proprietor enjoys freedom to operate in, the more markets he or she is able to serve. However, it is also essential with respect to the geographic scope of protection to balance benefit and cost, i.e. the estimated financial advantage from the number of countries in which protection is achieved and the cost of such protection.

Therefore, the most reasonable question to assess with respect to geographic scope of protection is whether the proprietor has registered the respective trade mark in all necessary territories (or, in case of mere applications, whether such registration can be reasonably expected). A country is necessary in this sense if the title holder has entered or reasonably plans to enter this geographic market with goods and/or services marked with a brand or brands containing the trade mark in question. For instance, a point score

<sup>716</sup> An exception to this rule exists during the first five years from the date of the international registration, in which a central attack is still possible – with different consequences under the Madrid Agreement and Protocol.

below average would have to be the consequence in case registration is not ensured for all necessary countries.

## 5.5 Temporal Scope of Protection

### 5.5.1 Beginning and Duration of Protection

Protection starts – upon correct registration – retroactively on the day of application.<sup>717</sup>

The statutory term of protection of a registered trade mark in Europe is ten years from the date of application.<sup>718</sup> However, a trade mark is the only intellectual property right which can be infinitely renewed (upon application and payment of a renewal fee).

### 5.5.2 Findings – Relation to Brand Value

The interrelation of the duration of trade mark protection and brand value could be particularly distinct with regard to payment of renewal fees. The fact that a proprietor renews the term of a certain trade mark shows that to him it has, or should have, at least a value as high as the respective renewal fee. However, the link between trade mark renewal and brand value is not as direct as it is being discussed with respect to patent renewal and patent value.<sup>719</sup> This is due to two circumstances which are rooted in the specific nature of brands: firstly, a brand is more than the legal construct trade mark and can exist without legal protection of its signage (even though this would be rather difficult in practice).<sup>720</sup> Secondly, trade mark protection can exist

717 Even though the formal application is the most common means of attaining a trade mark right, trade mark protection can also be reached by accrual of notoriety (Art. 6<sup>bis</sup> Paris Convention – well-known marks) or, on the national level, for instance in Germany, through use (Verkehrsgeltung, § 4 no. 2 MarkenG). As explained above, the work at hand focuses on registered trade marks, as harmonised European trade mark legislation solely deals with this type of trade mark, which is also the most common one, cf. above at 5.1 with fn. 622.

718 Art. 46 CTMR.

719 As to the correlation between payment of patent renewal fees and patent value cf. e.g. *Harhoff/Scherer/Vopel*, Exploring the tail of patented invention value distributions, *Lanjouw*, 65 *The Review of Economic Studies* 671 (1998), and *Pakes*, 54 *Econometrica* No. 4, 755 (1986).

720 Cf. e.g. above at 5.1.