

This chapter reviews some essential aspects of the CTM system, namely, seniority right, trademark conversion, and co-existence of CTM and national trademark rights. A space is also allocated in this chapter for a brief discourse on the impact that enlargement of the European Union has on the CTM system. The chapter further addresses the CTM enforcement regime. In this regard, the chapter covers institutions responsible for CTM enforcement and their powers, the law applicable to actual or threatened infringements, and the question of how judgments on CTM matters are recognised and enforced.

B. Essential aspects of Community trade mark system

The term “essential aspects of CTM”, as used in this chapter, encompasses (i) the principle of co-existence of trademark rights protected under the national law and those protected under the CTMR; (ii) the principle of seniority of trademark rights; and (iii) the principle of trademark conversion.

I. Co-existence of trade marks

The question of co-existence of trademarks in the EU is the centrepiece of the system established under the CTMR. It had already been envisaged in the early phases of the adoption of the CTMR that since some enterprises would not find any economic motives to get their trademarks protected throughout the Community, national trademark systems should be left to co-exist with the CTM.⁶⁶⁶ The CTMR stipulates a need to maintain a legal space within the national trademark systems in order to accommodate interests of persons who would just like to have a national legal security of their marks. It further sets out some mechanism to promote interests of proprietors who would like to extend their trade activities to the scale of the Community.⁶⁶⁷

The principle of co-existence affords to beneficiaries of the trademark systems in the EU an opportunity to choose from different trademark regimes under

666 Cf. Article 6 of the pre-draft of the Regulation Relating to the Community Trade Mark of April 1977 (Document No. III/ex X1/C/268/77-E). The Article stipulated that: “This regulation shall be without prejudice to the right of Member States to maintain their national laws relating to trade marks”. See also recital 6 of the CTMR, which insists on the need of co-existence of national and Community trademark rights.

667 SANDRI, S., “Community Trade Marks and Domestic Laws”, in: FRANZOSI, M. (ed.) (1997), “European Community Trade Mark” 415 (Kluwer Law International, Boston 1997).

which their trade marks may be protected. Trademark proprietors in the EU may apply for registration of their trademarks at national, regional and/or international levels. A trademark owner who does not want to trade beyond the national borders may opt for the national trademark registration. Those who attach great importance to the extension of their business beyond the national boundaries are likely to opt for a Community trademark registration.

An applicant for a trade mark registration has a number of factors to consider before opting for a particular registration scheme. The CTM would, for instance, be more cost effective than where a trademark proprietor attempts to register his trademark in each of the Member States aiming to secure multiple trademarks. Although the multiple national registrations in the Member States would substantially be equal to the CTM since all the EU countries have incorporated the TD provisions in their municipal trademark laws, this stratagem is more costly than obtaining a CTM. Where a trademark proprietor opts for a multiple-registration route, some duties in relation to maintenance of the trademark rights concerned such as the requirement of trademark use, renewal, and other proceedings relating to trademark cancellation and infringements have to be undertaken in each single country where a trade mark is registered.⁶⁶⁸ In contrast, proceedings relating to CTM are centralised and undertaken in a single procedure or process.

In the light of the foregoing, it is clear that a trademark proprietor may initially register his trademark, in a single Member State, as a national trade mark and apply for registration of the same mark as a CTM and vice versa. The principle of co-existence concerns a scenario in which a single trademark owned by a single, legal or natural person gets double protection as a national trademark and as a CTM.⁶⁶⁹

The double registrations of a trademark are likely to burden a trademark proprietor who has to maintain both national and CTM registrations. This burden may, nonetheless, be alleviated by the principle of seniority right, which allows the national trade mark and CTM registrations to be consolidated into one.

668 Cf. POULTER, A., BROWNLOW, P. & GYNGELL, J. (eds.), "the Community Trade Mark: Regulations, Practice and Procedure" (2nd ed., Release #4) 14 (INTA, New York 2005)

669 Cf. MÜHLENDAHL, A., OHLGART, D. C. & BOMHARD, V. von, "Die Gemeinschaftsmarke" 10 (Staempfli Verlag AG, Bern 1998).

II. Seniority

The principle of seniority facilitates the “merger of Community trade marks and identical earlier national registrations of the same mark for the same owner and for the same goods and services”.⁶⁷⁰ Seniority is neither defined in the TD nor in the CTMR. While the CTMR makes reference to the right of seniority, the term is not mentioned in the TD. This omission is not accidental. The tenet of seniority is propounded under the CTMR⁶⁷¹ to improve the CTM system in contrast to the national trademark systems. The principle of seniority motivates owners of earlier national trademarks to apply for registration of their mark as CTMs. The purpose of seniority right is “to make the Community trade mark an attractive option for persons who have already registered a particular trade mark in a number of Member States” and thus allowing the persons concerned an opportunity to take advantages of the CTM system stemming from financial savings and administrative convenience, which they would not otherwise enjoy “if they had to maintain their national registrations in addition to a Community trade mark”.⁶⁷² The principle, therefore, acts as a magnet that attracts proprietors of earlier national trademark to consolidate their national rights into a CTM without relinquishing the said national rights.

The legislative intent behind incorporation of seniority right in the CTMR is to enable owners of existing national trademarks to be the first to apply for registration of a corresponding CTM,⁶⁷³ since trademark proprietors “might be reluctant to abandon their national registrations unless they could be certain of retaining whatever rights they enjoyed as a result of those national registrations”.⁶⁷⁴ Some fundamental issues in relation to the principle of seniority, such as the requirements for seniority, examination of seniority claim, and the merits and demerits of claiming a seniority right, are discussed below.

670 Cf. Communication No 2/00 of the President of the Office of 25 February 2000 concerning seniority examination, available at <http://oami.europa.eu/en/office/aspects/communications/02-00.htm> (status: 30 July 2012).

671 Cf. Articles 34 and 35 of the CTMR.

672 Cf. OHIM, Decision of the First BoA of 15 May 1998, Case R 5/97-1 (VICEROY), at [29].

673 Cf. FRANZOSI, M. (ed.), “European Community Trade Mark” 427 (Kluwer Law International, Boston 1997).

674 Cf. OHIM, Decision of the First BoA of 15 May 1998, Case R 5/97-1 (VICEROY), at [29].