

Building a Strong (European) Trade Mark

A. Selection

What is a trade mark?

It is something that distinguishes your product or service from those of competitors. This can be words, pictures, stylised words, a logo (sometimes called a device or a design), a colour or colour combination, a shape (such as the traditional COCA-COLA™ bottle), a sound (such as the jingle associated with INTEL™) or even a smell, or a combination of some of these things.

What is a good trade mark?

It is something that stands out from the crowd and is distinctive. It may allude to aspects of the product or service, but not describe them. Marketing teams often advocate a descriptive name, which will immediately convey what the product is or does, but this is not a good long-term strategy. Competitors may want to use something similar, and you could either lose repeat sales because people think what they buy from someone else is in fact your product, or, faced with a range of similar brands, they may discount branding altogether.

For examples of strong and widely known marks, JAGUAR™ is a good mark for cars because it is not descriptive of them, yet has positive connotations of sleekness and power which are attractive attributes for a car. It is an ordinary word and easy to remember. KODAK™ is a good mark for anything, because it does not describe, is not a proper name, is short and is an invented word.

How do you create one?

There are brand consultancies, or you can come up with some ideas yourself and consult a trade mark attorney. Consider whether you want to create a 'family' of marks within your company or corporate group, sharing a common element, for example a prefix or suffix (often relevant in the pharmaceutical industry), or theme, such as names of planets, Roman gods, names of winds, animal species etc.

It is advisable to come up with a few alternative marks, in case your first choice is not viable, perhaps because someone else has beaten you to it and registered it, (or something close enough to block yours), or because you are advised it is not a good mark.

Languages

Few businesses deal only in a single national market, and it makes sense to adopt a single mark for as many of your markets as possible. If your mark is a word, check that it does not have a negative meaning in the languages of your customers.

For example, NOVA may seem a good mark for a car to a Briton, but in Spanish, 'no va' means 'does not go'.

Trade Mark Clearance Searching

The two reasons for carrying out trade mark searches before adopting a new mark are, first, to make sure use of your mark does not risk infringing third-party rights (in the same mark or something confusingly similar); and second, to check whether third-party rights are likely to block registration of your own mark. Searching in multiple countries can be an expensive process; but then so can defending infringement actions in court and having to withdraw products from the market and rebrand.

B. Registration

Why Register?

In many countries there are 'common law', or unfair competition laws, which can be used to stop competitors or counterfeiters from using your mark, or something too close to it. But a prerequisite is proving that you have the rights to assert in the first place. A registration certificate is a much cheaper option. It also serves as a 'keep off the grass' sign to competitors, when they carry out availability searches.

A trade mark is also a commercial asset. Particularly in the consumer market, the brand can be one of the main factors, if not the main factor, for an individual choosing which of several competing products to buy.

When to Search and File Applications to register Trade Marks

This should be done long before you plan to launch the product. Many businesses leave it too late. If possible, carry out clearance searches and then file trade mark applications at least six months before launch. In the United Kingdom, six months represents about the shortest timescale for obtaining a trade mark registration. Under the Community Trade Mark (CTM) system – more below – allow a minimum of a year. It can often take longer. Under the Benelux system, registration can be obtained very quickly using an accelerated procedure, which is especially useful if you need to tackle an infringer.

You can spread the cost of filing applications by taking advantage of the six-month priority period, whereby any application filed within six months of the first application, for that mark and those products/services virtually anywhere in the world, is effectively backdated to the date of the first application.

What Products and Services to Claim

For administrative purposes, there are currently 45 ‘classes’ into which all products and services are classified. The classes do not always correspond closely to commercial reality. A trade mark registration only gives a monopoly in the mark for the products and services it covers, although infringement rights can extend some way beyond these. Therefore careful consideration needs to be given to the range of products/services you claim. Once an application for registration has been filed, you cannot expand the list of products/services, only narrow it.

You should cover all products/services of current and potential future interest. If you claim too narrowly, you could soon outgrow your registration; if you claim too broad, you could well invite unnecessary objections/attacks from third parties.

The Process From Application to Registration of a Trade Mark

Trade mark law is harmonised, although not identical, throughout the European Community. It is also increasingly harmonised on a global basis. The basic elements tend to be as follows:

1. Pay fee and file application stating
 - the mark
 - the products/services to be covered
 - the applicant's name and address

2. Trade marks office issues a filing receipt.

3. The proposed trade mark is examined to see whether it is inherently suitable for registration, for example, that it is not misleading or generic. Some offices also check whether there are conflicting prior applications/registrations. They may raise objections based on such earlier rights, or simply notify the applicant and/or the owner of the earlier right. The applicant has a chance to respond to objections.

4. Assuming the mark is accepted by the office, it will be published. Third parties have a set time, commonly three months, to object by way of opposition. Opposition proceedings are beyond the scope of this article. They can sometimes be resolved by negotiation.

5. If any objections raised are overcome, the mark is registered and a certificate issued.

Where to Register

This depends on your current and likely markets. Generally trade mark registration has to be obtained on a country by country basis. There is no such thing as a worldwide registration, but there are ways of covering groups of countries, which can be very cost-effective.

You can cover the whole of the European Union in a single registration via the Community Trade Mark (CTM) system. The CTM office is based in Spain. It is a unitary right, so if your mark turns out to be descriptive in Finnish or Greek, or is successfully opposed based on an earlier Slovakian registration, the whole thing fails, although you may have the (expensive) option of converting the remnants of the CTM into national applications.

German, UK, Spanish and Italian applicants are the biggest EC users of this system. The majority of non-EC applicants are from the United States.

Registration of CTMs is sometimes delayed or prevented by oppositions. However, around 50 per cent of oppositions are resolved, usually by negotiation, without a decision on the case being issued. The majority of oppositions are handled in English, but they can be in other EC languages.

You can use an existing application/registration as the foundation for an 'international' registration under the Madrid system. You can pick and choose the territories of interest from a large group of countries and blocs including the European Union, United States, Australia, China, Singapore, Japan, Switzerland and Norway, to name but a few. You effectively get a bundle of national rights, administered centrally, potentially saving substantially on cost. If you encounter problems in one country, this need not affect the others. You can include a CTM as one of the territories in a Madrid application.

You need to qualify for ownership of a mark under the Madrid system by nationality/incorporation, domicile or commercial establishment in a member country.

C. Beyond Registration

A registration commonly lasts for 10 years. It can be renewed indefinitely, on payment of fees, for successive periods, usually of 10 years.

Use your mark correctly and consistently, so it stands out in text (using for instance bold, upper case or a special format). If you do not use your mark properly, you cannot expect others to do so.

Use it as an adjective, not a verb or noun: for example refer to a ROLEX™ watch, not a rolex. The owners of GOOGLE™ are trying to stop people using 'google' as a verb, e.g.: "Have you tried googling to see if you get any hits?".

Show it is a trade mark eg by using the letters ™ or symbol ®. The symbol ® strictly means that the mark is registered, whereas the letters ™ simply mean you claim it as your trade mark (whether it is registered or not). It can be an offence to indicate a mark is registered when it is not, and this is something to bear in mind if your products and marketing materials or website are trans-national.

Identify the marks, and their owner and licensee (if relevant) on packaging, product literature, websites and so on.

If someone misuses or infringes your mark, take action. Trade marks need to be protected, like any other asset.