

What Route to Protection?

The advent of the Community Trade Mark (CTM) and the Madrid Protocol (International Registration), and the linking of the two systems, gives United Kingdom owners of trade marks the possibility of seeking protection for their trade marks more economically and efficiently as compared with filing a separate national application in each country of interest. Our information sheets on the CTM and the Madrid Protocol give an outline of the two systems; this sheet gives a general comparison between a directly filed CTM, designating individual European Union (EU) countries in an International Registration and designating the European Community in an International Registration, and how these systems can be utilised, both for new trade marks and to rationalise an existing portfolio, primarily as regards the European Union from the viewpoint of a UK based trade mark owner.

New trade marks

If most, or all, of the European Union countries (i.e. Austria, Belgium, Bulgaria, Cyprus (South), Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, The Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and the United Kingdom) are of interest, but no non-EU countries that are in the Madrid Protocol, and there is not a suitable UK application or registration already in existence, then a CTM is a more economical route than either designating these countries (except for Malta which would have then to be the subject of a directly filed application) under the Madrid Protocol or just designating the CTM under the Madrid Protocol.

This is because of the fee structure for the Madrid Protocol and because a "home" trade mark application or registration covering all the goods/services of interest is required first so as to provide the basis for the International Registration, and so designating the CTM (which obviously covers the UK) under the Madrid Protocol gives rise, of necessity, to some duplication for a UK based applicant. (This factor does not arise for non EU based applicants, as their "home" application or registration would not normally be for an EU country.)

If however a suitable "home" application or registration already exists, then if just some of the EU countries are required (and especially if an International Registration were to be applied for in any case), national designations under the Madrid Protocol may be a more economic route; if on the other hand most or all of the EU countries are required, then either a directly filed CTM or a designation of the CTM under the Madrid Protocol would be more cost effective, the latter particularly if an application for International Registration were being made in any event.

Of course there are various factors, both cost and non cost, and each case has to be looked at individually.

Comparative advantages & disadvantages

Community trade marks (direct or via Madrid Protocol)

CTM advantages include:

- Provides protection for all EU countries, even those not of current interest - there is no need to seek protection for them at a later stage. However, see below regarding risk of opposition and official objections on absolute grounds.
- A trade mark usually needs to be used in each country to keep its registration valid in that country. However, a CTM is a unitary registration - therefore a reasonable amount of use of the mark in only part of the EU should be sufficient to keep it valid for the whole EU.
- A prior UK application or registration is not required in order to file a CTM.
- The CTM office does not examine applications in relation to prior trade marks. The owners of such prior marks and other prior rights may oppose a CTM application after publication. The fact that owners of prior trade marks and other rights must take active steps against a CTM application means that trade marks that are still registered but in which the owners no longer have an interest do not cause problems.

CTM disadvantages include:

- During its official examination, a CTM application may be objected to on absolute grounds that are perhaps only relevant to one country (for example the mark is a descriptive word in Portuguese). A valid objection for even one country means that the entire application is rejected. It is however possible to convert into national applications (or, in the case of a CTM via an International Registration,

national designations (except for Malta)), (keeping the CTM application date) for those countries where the mark is not objectionable, but this is more costly than if national applications or a Madrid Protocol application designating the countries individually had been filed at the outset.

- Increased risk of opposition. Prior rights in even one EU country (perhaps even one that is not in fact of interest to you) can provide the basis of an opposition. If the opposition is successful, then there is the possibility of converting into national applications (or, in the case of a CTM via an International Registration, national designation, except for Malta), (retaining the date of the CTM application) except for countries where prior rights were successfully raised in the opposition. Again this is more expensive than if national applications had been filed or national designations made to start with.
- Most rights in a CTM only start at registration not application. Registration can be considerably delayed if there is an opposition against the CTM which is eventually settled.

Madrid Protocol (international registration)

Madrid advantages include:

- Only the countries of actual interest need be included (assuming individual EU countries designated rather than CTM).
- If problems arise in one designated country, this can be dropped without affecting the others.
- Rights may be achieved more rapidly than for a directly filed CTM; this may be important if it is thought that infringement is likely to take place at an early stage.
- Further countries can be added to an International Registration later, at less cost than a completely new International Registration or a national application, especially if several are added at one time.
- The cost of designating some countries is very modest, for example Benelux and Germany; even if a CTM application is being filed or the CTM is being designated it may be worthwhile in some circumstances designating these in a Madrid Protocol application as well, so as to gain earlier protection.
- It is possible to assign some designations and not others.

Madrid disadvantages include:

- Rights in each country are separate; use in one country would not, in general, assist in maintaining validity in other countries (except for the designation of a CTM, where reasonable use in one EU country may be sufficient).
- A prior UK application or registration is required. For its first five years an International Registration is dependent upon the United Kingdom application or registration upon which it is based. If the United Kingdom application or registration

fails for any reason, the International Registration will also fail, though there is then the possibility of filing national applications having an effective date of the International Registration.

- The dependency on a “home” application or registration also means that the specification of goods/services of the International Registration has to be the same as, or narrower than, the “home” application or registration.
- In some countries the designation will be examined by the national office in relation to prior trade marks and may be objected to on the grounds of a prior mark or marks. These prior marks may not have been used for years and may no longer be of interest to their owners yet they still remain a bar and have to be dealt with if the objection is to be overcome.

Community trade mark via Madrid Protocol (international registration) as opposed to direct filing

Advantages include:

- If an application for International Registration is being filed in any case, the costs of covering the CTM are lower than for a direct filing; renewal costs are also lower.
- If the CTM designation is withdrawn, refused or ceases to have effect, it can be converted into subsequent designations of EU member states (except for Malta, and with Benelux counting as one); this should give substantial cost savings over the other option, conversion to national applications, which is the only option for directly filed Community Trade Mark applications and registrations.

Disadvantages include:

- A prior UK application or registration is required. For its first five years the International Registration is dependent upon the UK application or registration upon which it is based. If the UK application or registration fails for any reason in that time, the International Registration will also fail, though there is the possibility of filing a CTM application having an effective date of the International Registration.
- The dependency on the UK application or registration also means that the specification of goods/services of the International Registration has to be the same as, or narrower than, the UK application or registration.

Existing registrations

For registrations for a given mark, depending upon the particular countries, the number of classes involved and when they are due for renewal, a CTM application and/or an application for International Registration to replace some or all of the national registrations that could be covered through one or both of these systems can give substantial cost savings and other benefits.

It should be possible to retain existing national rights, though the cost of doing this can be substantial. Of course existing rights cannot be retained for goods/services that are not contained in the new application. It may (depending upon existing third

party rights) be possible at no or relatively modest additional cost to extend the geographical scope of protection. Where a direct CTM application is being filed, the range of goods and services covered may also be extended; protection via an International Registration is limited to the goods/services in the home application or registration.

The particular route that is most appropriate depends upon a number of factors including the further coverage required, the countries involved, when the various renewals are due and their expected cost. We will be happy to advise you on this.

European Union/European Community

European Community (EC) relates to the single market aspect of the European Union (EU), the latter additionally including common foreign and security policies in its scope. Therefore European Community is the official expression used in relation to the unitary trade mark rights that cover the EU countries.

Summary

Overleaf is a table summarising the main differences between the three routes which also compares them with making national applications, which in general is not the preferred route.

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NATIONAL v INTERNATIONAL v COMMUNITY TRADE MARK REGISTRATIONS

	Separate National Registrations (separate designations for EU countries)	International Registrations (filed directly)	Community Trade Mark Registrations (via International Registration)
Cost	Expensive Relatively inexpensive but can become expensive if many refusals are contested as local trade mark attorneys need to be instructed	Inexpensive in general (but about 20% of published applications are opposed which can then result in substantial costs)	Inexpensive in general (assuming that an International Registration is being filed in any case) (but about 20% of published CTM applications are opposed which can then result in substantial costs)
Extra countries	Expensive Further countries (in the International Registration System) can be designated at the same time in the same application at marginal cost. Also, further countries can be added later	Not applicable	Not applicable
Timing of official fees	Depends on country as to whether there are fees on grant as well as on filing All official fees payable on filing	All official fees payable on filing	All official fees payable on filing
Paperwork	Lots Usually not much	Usually not much	Usually not much
All or nothing?	No - each case stands or falls by itself No, in general. Each designation stands or falls by itself (unless there is central attack, in which case one can convert into national applications)	Yes. An objection or successful attack will cause the CTM to fail (even if the reason relates only to one EU country): one can convert for the unaffected countries which are of interest	Yes. An objection or successful attack will cause the CTM to fail (even if the reason relates only to one EU country): one can convert for the unaffected countries which are of interest, either as national applications or (except for Malta) designations in the International Registration
Objections on grounds of prior trade marks by the trade mark office	Varies from country to country as to whether the trade mark office itself will raise objection on the grounds of prior trade marks	The CTM Office will not itself raise objections on the grounds of a prior trade mark - thus there will not be a problem caused by old trade marks that the owner has lost interest in	The CTM Office will not itself raise objections on the grounds of a prior trade mark - thus there will not be a problem caused by old trade marks that the owner has lost interest in
Maintaining validity	In general, use in one country does not preserve rights in another country In general, use in one designated country does not preserve rights in another designated country	A reasonable amount of genuine use in even one EU country may be sufficient to maintain the validity of the registration against attack on the grounds of non-use	A reasonable amount of genuine use in even one EU country may be sufficient to maintain the validity of the designation of the CTM against attack on the grounds of non-use
Redundant protection	Only countries of interest need be covered Only countries of interest need be covered	EU countries which may not be of interest get covered: it may be those countries which cause problems	EU countries which may not be of interest get covered: it may be those countries which cause problems
Speed	Registration may be fast or slow depending on the country Protection may be achieved more speedily than for CTM	In general, rights only from grant - this can be very slow if the application is opposed. Grant will probably be quicker for a directly filed CTM than for one via an International Registration	In general, rights only from grant - this can be very slow if application is opposed. Usually it takes longer for a CTM designation to achieve protection than a directly filed CTM
Renewals etc.	Renewals, changes of name etc. have to be dealt with separately for each country - therefore more expensive Renewals, changes of name etc. dealt with centrally rather than country by country. Licences can be recorded centrally for many, but not all countries	Renewals, changes of name etc. dealt with alone, but of course they cover all the EU	Renewals, changes of name etc. dealt with centrally along with rest of the International Registration. If an International Registration exists in any case, the cost of renewing the CTM designation is less than to renew a directly filed CTM
Preserving existing national rights	Not applicable May be possible to preserve existing national rights in a designated country if the international Registration includes ALL the goods/services contained in the relevant national registration. If the conditions are fulfilled this happens automatically though it may be advisable also to have it recorded officially	It may be possible to preserve some or all existing national rights in an EU country; if the CTM does not contain all the goods/services in the national registration then only the overlapping goods/services can be preserved in the CTM. Application has to be made to preserve earlier rights (claiming seniority); it does not happen automatically	It may be possible to preserve some or all existing national rights in an EU country; if the CTM does not contain all the goods/services in the national registration then only the overlapping goods/services can be preserved in the CTM. Application has to be made to preserve earlier rights (claiming seniority); it does not happen automatically
Splitting rights - Goods/services	May be possible (but may not be advisable)	Possible (but may not be advisable)	Possible (but may not be advisable)
Geographically	Not applicable Possible	Not possible	Not possible - but could be converted into national designations, which can then be dealt with separately