

Ensuring Protection in the European Union

Design and Trademark Registration for Products and Services

By the EU Office for Harmonization in the Internal Market and the U.S. Mission to the European Union, U.S. Commercial Service

Exporters of products and services are sometimes unaware that U.S. trademark and design protection does not extend beyond the boundaries of the United States. Exporters to the European Union can either register marks and designs in individual countries or secure protection for the entire area by obtaining a "Community trade mark" (CTM) or a "registered Community design" (RCD).

Steve Alley, minister counselor for commercial affairs at the U.S. Mission to the European Union, met with representatives from the Office of Harmonization in the Internal Market (OHIM), the EU agency that handles the registration process for these EU marks and designs, to learn more about the opportunities they provide for U.S. exporters.

I understand that the OHIM manages the registration process for both trademarks and designs. Could you tell us the difference between the two?

Fundamentally, design registration offers protection for the appearance of a product, rather than the product itself, resulting from its various features, such as lines, textures, ornamentation, and patterns. A registered design also has to fulfill the requirement of being novel, although this criterion is not examined prior to registration.

Trademark protection, on the other hand, protects any sign that is capable of being represented graphically, and which at the same time has the capacity to distinguish the trade origin of the goods it is applied to from one undertaking to another. In simple terms, a design is the appearance of a novel

creation, whereas a trademark is an indicator of origin.

While design protection can be obtained for up to 25 years, a trademark can be renewed indefinitely.

Should exporters apply for an EU-wide trademark or protection in individual EU member states?

Companies adopt a variety of filing strategies for many different reasons, but if a U.S. company has the intention of trading in several EU countries, then the Community mark is the logical option. First and foremost, with combined filing and registration fees of around \$2,000, the CTM is a cost-effective protection right, given that a 10-year registration for this fee covers 15 countries. This will extend automatically to 10 new member states in 2004. Administratively, the CTM offers the additional advantage of a single application to cover the entire EU territory, with one fee, one language, and one legislative framework. This greatly facilitates the management of a company's trademark portfolio, eliminating the need to engage the services of attorneys in each member state, and avoiding the much-feared translation costs.

Is it possible to register on-line? And what steps are involved between applying for a trademark and having it formally registered?

To answer the first question, both the Community design and mark can be applied for electronically, using the e-filing facility available via the OHIM site (<http://oami.eu.int>). The system is a self-explanatory, menu-based filing interface, offering error-free filing by "red flagging" any erroneous data keyed in. On-line instructions are included.

As to the procedures involved in obtaining registration, the Office for Harmonization carries out an examination of every CTM application. The examination includes the following:

Formalities check: The nationality and status of the applicant is checked, as well as the representative's capacity to act.

Classification check: The specification of the goods and services applied for is checked to ensure it corresponds to an official classification.

Translation and searches: The specification of goods and services is translated into the official languages of the European Union, and the relevant national offices are asked to search their databases for prior rights.

Absolute grounds for refusal search: The trademark is examined to ensure it fulfills certain basic requirements, such as being distinctive, not being a descriptive term, and being in line with public morality.

Publication for opposition purposes: Once approved by the OHIM,

the application is published for three months, to allow any prior right holder to file an appeal, or to allow any third party to make observations.

Registration: If there are no objections, or if any dispute proceedings have been resolved, the trademark will be registered as a CTM for a 10-year, renewable period.

The procedure can take from a year to 18 months if no dispute proceedings arise, and if the OHIM raises no objections at any one of the examination stages.

And what are the costs involved in securing a CTM?

The filing fee is 975 euros. If the application proceeds to registration, a further 1,100 euros is due. This offers a 10-year protection period throughout the European Union, covering three classes of products or services. Any additional classes incur an extra fee of 200 euros per class.

We have heard recently talk of the European Union joining the Madrid Protocol. When is that likely to happen and what practical difference will it make for a U.S. exporter looking to secure a CTM?

Following the European Union's decision to accede to the Madrid Protocol, it is likely that the OHIM will be ready to accept any international application designating the European Union, as well as offering the extension of a CTM application to the Madrid Protocol countries, from around Autumn 2004.

In practical terms, U.S. companies can file an application through the U.S. Patent and Trademark Office, and then apply through the Madrid system for an extension of that protection to the European Union, and/or to any other countries party to the protocol. The option to apply direct to the OHIM for a CTM will still, of course, be available.

How can an exporter know whether a trademark is already in use?

It is important to note that a trademark in some countries can acquire rights as a mark through use without actually being registered, but this should be considered the exception to the rule. The general

principle is that the trademark right is acquired through registration. This being the case, a search of the OHIM database, as well as the databases of the national intellectual property offices, will show any marks applied for or registered in the European Union. During the CTM application procedure, such a search is carried out by the OHIM, and the results forwarded to the applicant. However, neither the German, French, or Italian national offices provide search results; therefore the information on prior rights given by the OHIM does not cover the entire European Union.

There always exists the option of contracting private companies to undertake database searches on behalf of the applicant, and this indeed is a service provided by many trademark representatives. The added value to using a professional service is that a trademark representative is also in a position to offer advice, and interpret the validity of any prior rights encountered.

An unregistered right is not traceable in a database, and therefore only market knowledge of its existence would provide evidence of its use.

If the mark is in use in one EU country, will that prevent its registration as a CTM?

In principle, if a prior right to the mark applied for exists and is being used in any one of the EU member states, then it may impede the registration of the CTM applied for at the opposition stage.

Are similar search facilities available for the registered Community design?

The Community design bulletin is available on-line, via the OHIM site, and offers full text searching. As yet, a database similar to the CTM on-line facility is not available.

I understand that non-registered designs are protected in the European Union, so why should companies get involved in the registration process?

The unregistered Community design provides protection for three years, and only against deliberate copying, not the

independent development of similar designs. In an infringement action based on an unregistered Community design, the Community court will not presume the validity or existence of the right, but rather the holder needs to produce proof that the conditions of the regulation are met and that the design holds individual character. The registered Community design provides for up to 25 years of protection and grants an exclusive right that is presumed valid in infringement actions.

And what costs are involved in registering a Community design?

Depending on the number of designs applied for, and whether or not deferment of publication is requested, the fee for one RCD is 350 euros. The OHIM Web site offers a full fee table, as well as an interactive fee calculator.

Will the CTM and RCD also provide protection in the 10 countries that are about to join the European Union?

Protection for existing CTM and RCD applications and registrations will automatically be extended to the new member states on January 1, 2004. There will be no need to submit any further documents, nor will any supplementary administrative procedures be necessary on the part of the applicant. It is also important to note that no extra fees will be requested. CTM applications made before November 1, 2003 will not be subject to the possibility of opposition proceedings based on earlier rights that may exist in any of the new member states. ■

For more information, contact the U.S. Mission to the European Union via e-mail (brussels.ec.office.box@mail.doc.gov) or visit the OHIM Web site (<http://oami.eu.int>).