

# ICLE 2004 International Trademark Forum

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WMU Graduate Center, Grand Rapids, MI

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Oakland Center, Rochester, MI

# **The Community Trade-Mark and the Madrid Protocol**

Choices

CTM, NSF, or IR with EU?

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# Business/Legal Issues

- Markets
- Timing
- Budget
- Goods/services
- Future expansion
- Languages



# Business/Legal Issues (cont'd)

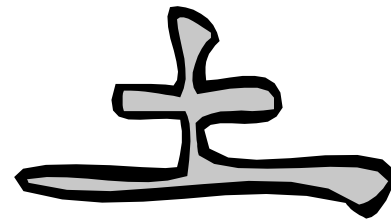
- Transliterations
- Translations
- Sophistication level of protection
- Accession to Madrid Protocol by OHIM and Canada



Fire



Wood



Earth



Water



Metal

# Business/Legal Issues (cont'd)

- Strength of the mark
- Ability to search
- Use of the mark
- Sale of the business

# Community Trade Mark (CTM)

- Unitary system

- Austria, Belgium, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden, United Kingdom

# CTM



- Unitary system
  - Use in one counts for all members
  - One assignment and renewal for all members
  - One infringement action, but forum-shopping for CTM court
  - One pan-European injunction

# CTM (cont'd)

## ■ Availability – Searching

- Owner searches (internet)
- RISS searches
- OHIM searches
- National databases
- Associates
- Search companies
- Madrid express database

Thomson & Thomson

# Advantages

- Seniority
- No prior rights examination, though notification
- Priority only for identical goods/services, but can apply beyond them
- Protection of marks of reputation
- Recognition of secondary meaning

# Advantages

- Cost efficiency (US\$4,700)
- Oppositions
  - Long cooling off periods
  - Settlement the norm
- Invalidity in one cancels all
  - Conversion
  - Increased cost
  - More likely than a central attack to an IR
  - Acquiescence prevents suit after 5 years
- Aceding to the Protocol on October 1, 2004

# Advantages

- Protection against parallel imports
- Protection against counterfeiting
- Licensing for some or all member countries (allow sales among members)



# Disadvantages



- Numerous oppositions
- Expensive to convert mark
- Unitary application for assignments
- Limits on use of seniority
- Stronger requirements for absolute grounds of refusal
- Twenty (20) official languages
- Five (5) office languages (English, Spanish, French, German, and Italian)

# International Registration – Madrid Protocol

## Advantages

- No domestic representative
- No certified copy of home registration
- Quicker processing (18 months)
- Same office actions/oppositions
- OHIM joins October 1 (base and extended registration)
- Spanish as third language

# Advantages (cont'd)

- Not necessarily cheaper to file (over 30 use 73 Swiss Francs)
- Cheaper to maintain, renew, assign, change names
- [www.wipo.org](http://www.wipo.org) (fee calculator, documents, explanations, etc.)
- Basic application or registration
- File extension after basic application registers

# Advantages (cont'd)

- Same use requirements
- Central attack and transformations
- Bundle of rights, not unitary
- No seniority, though extension registrations replace national registrations
- Priority based on identical goods/services

# Disadvantages

- Dependency for 5 years
- No amendments
- Central attack
- Dependency on basic application to register
- Limitation on goods (services of basic application / registration)

# IR (cont'd)

- Availability searching
  - Owner searches (Internet)
  - RISS / WISS
  - OHIM
  - National databases
  - Associates
  - Search companies
  - Madrid express database
  - International watch service
  - U.S., Canada (NAFTA), Mexico

# IR (cont'd)

- Approximately 900 filed by U.S. applicants (outbound) as of 5/04
- Approximately 4,000 filed in the U.S. (inbound) as of 5/04

# NSF: National System of Filing

- Expensive national searches
- More expensive filings
- Broader goods/services ( for a US TM owner in many countries)
- Varied portfolio



# NSF (cont'd)

- Longer processing
- National PTO's may accept a mark that OHIM would reject (shape of a bottle)
- Transliterations
- Translations
- National brand
- Necessary to change mark

# Why So Few U.S. Companies are Filing

- Outbound
  - Risky to base on application
  - Most have national registrations of interest
  - Narrow identification of goods
  - Canada (and Mexico) not members
  - Many not comfortable
- Inbound
  - Mostly Europeans
  - Comfortable with system
  - Narrowing services doesn't affect other countries

# U.S. Numbers

- Outbound
  - As of May 2004, there have been 889 filings
- Inbound
  - As of May 2004, there have been 4,041 filings
- For further information, see <http://www.patents.com/madrid/howmany>

# Coverage

<b>COVERAGE</b>	<b>CTM</b>	<b>IR</b>	<b>NATIONAL</b>
Countries	25 EU members	64 countries; bundle of rights	1
Goods / Services	Broad descriptions	Breadth of description depends on home application	Varies by country
Priority	Yes, if home state member of Paris Convention or other treaty	Yes, if home state member of Paris Convention or other treaty	Yes, if member of Paris Convention or other treaty
Adding countries	No, but registration will be extended to new EU members (10 in 2004)	Yes	No

# Application

<b>ACTION</b>	<b>CTM</b>	<b>IR</b>	<b>NATIONAL</b>
Cost for filing	\$2,500	\$900 for filing; \$55 for each extension	Average \$1,200 each
Domestic Representative	No, except for service if non-EU entity	Not necessary to extend	Varies by country
Goods / services	Limits in basic application extensions	One specification for all	Varies by country
Language	5 choices: English, French, Spanish, Italian, German (20 official languages)	English, French or Spanish	Varies by country

# Application (cont'd)

<b>ACTION</b>	<b>CTM</b>	<b>IR</b>	<b>NATIONAL</b>
Applicant	Residents of EU or Paris Convention countries	Residents and owners of commercial establishments	No limitations generally
Mark	Identical in all jurisdictions	Identical in all jurisdictions	Varies by country
Official Search	Yes	No	No, except the Benelux
Examination	1-2 Years by OHIM for absolute grounds	2 months at WIPO; 18 months for formalities by each national office for absolute and/or relative grounds	1-2 years by national office; absolute and/or relative grounds
Seniority	Yes	No, but extension can replace national registrations	No

# Maintenance

<b>ACTION</b>	<b>CTM</b>	<b>IR</b>	<b>NATIONAL</b>
Affidavit of Use	No	If required in country	If required in country
Renewal	1 renewal covers all EU members; 10 year term	1 renewal covers all countries covered by registration; 10 year term	Only for that country; term varies
Use	Use in 1 country in EU is sufficient	Use requirements depend on each country; use in 1 country is not sufficient for all	Varies by country
Amendment of mark	No	No	Varies by country

# Transfers

<b>ACTION</b>	<b>CTM</b>	<b>IR</b>	<b>NATIONAL</b>
Assignment of whole	Yes	Yes	Yes
Assignment of territory	No	Can assign for some countries; address maintenance if you assign in first 5 years	N/A
Partial assignment of goods / services	Yes	Yes	Varies by country
Assignee	Need not be a member of the EU	Must be a member of the Madrid System	No limitations

# Enforcement

<b>ACTION</b>	<b>CTM</b>	<b>IR</b>	<b>NATIONAL</b>
Opposition	1 opposition filed 3 months after publication	Opposition filed in each country must be notified in designated period	Varies by country
Cancellation / invalidation	Entire CTM based on prior CTM or national registration	In that country, unless a central attack	Varies by country
Conversion / transformation	Yes, within 3 months	Yes, within 3 months	N/A
Litigation	1 court	File in each country	Varies by country
Injunctions	Pan - EU	By country	Varies by country

# Summary

- ✓ Decide goals
- ✓ Decide budget
- ✓ Go with experienced and trusted practitioners
- ✓ Hope for the best

