

## **The Enlargement of the European Community and its impact on Community Rights**

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Abstract/Keywords:

1. Principle of "acquis communautaire"
2. Automatic extension of CTM and CD
3. CTM's and "Earlier Rights" in the new Member States
4. "Absolute grounds" in the new Member States
5. Enforcing Community Trademarks
6. Seniority
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## **1. EU - Member States and Candidate Countries**

On May 1, 2004 10 new member states will join the existing 15 member states of the European Union (EU). This is the 5<sup>th</sup> and biggest enlargement since the EU was founded by Germany, France, the Benelux countries and Italy in 1957.

1. Germany	12. Finland	<b>as of May 1, 2004:</b>
2. France	13. Ireland	16. Estonia
3. Great Britain	14. Luxembourg	17. Latvia
4. Spain	15. Sweden	18. Lithuania
5. Portugal		19. Poland
6. Italy		20. Hungary
7. Greece		21. Slovakia
8. Austria		22. Czech Republic
9. Belgium		23. Slovenia
10. Netherlands		24. Cyprus
11. Denmark		25. Malta

Between the start of the CTM system (April 1, 1996) and August 2003 only 679 CTMs (out of app. 300.000) were filed by applicants from the 10 new member states.

## **2. Principle of "acquis communautaire"**

The new Member States have to accept the existing Community legislation and any rights established prior to the effective date of the enlargement (May 1, 2004), subject to any exceptions or transitional rules negotiated between the European Union and the Member States.

## **3. Automatic extension of CTM and CD**

a. All CTM and CD registrations (including unregistered rights) and applications granted or pending at the time of enlargement will be automatically extended with full "grandfathering", without

- any administrative intervention
- any request or application
- any additional fees

b. Extended CTM applications and registrations will cover the whole territory of the new Member States as from the date of the enlargement.

#### 4. CTM's and "Earlier Rights" in the new Member States

a. Earlier Rights in the New Member States are

- National trade mark registrations and applications
- Madrid and Madrid Protocol registrations
- Well-known marks
- Unregistered marks and similar rights
- Rights in names and portraits
- Copyrights
- Industrial design rights
- Other industrial property rights

b. Any (trade mark) rights in the new Member States are "earlier" (priority date, filing date, by use, by recognition in trade, corporate name, etc ...) if such right has been acquired with the effect for or in the new Member States before the effective date of enlargement (May 1, 2004).

c. CTM's and "Earlier Right":

i. Article 142a (5) CTMR rules: "Proprietors of earlier rights are entitled, in accordance with the national law applicable to them, to exclude (prohibit) the use of an automatically extended CTM in their respective territories, in accordance with Articles 106 and 107 CTMR"

unless:

- these rights are themselves invalid or subject to attack
- these rights have been acquired in "bad faith".

ii. Article 142a (2), (4) CTMR rule: Proprietors of earlier rights do not have the right to oppose any automatically extended pending CTM application or to request the invalidation of any automatically extended CTM registration.

d. **Exception:** „Earlier rights“ in the new Member States falling under Article 8 CTMR confer on their proprietors the right to oppose a pending CTM application if the actual filing date of that CTM application is a date falling within a period of six months prior to the effective date of enlargement, i.e. when the filing date is November 1, 2003 or later, including April 30, 2004,

unless:

the earlier right was acquired in bad faith in relation to the automatically extended CTM application

The national right must be acquired "earlier" in absolute terms, i.e. before the priority date of the CTM.

e. Automatically extended CTMs constitute, from the date of enlargement, earlier rights in the new Member States against any right (trade mark, use, name,..) which has been acquired on or after the effective date of enlargement.

f. Automatically extended CTMs must be cited as earlier rights in searches, must be raised as a basis for refusal, must be admitted as a basis for an opposition, and must be admitted as a ground for an invalidation.

## 5. "Absolute grounds" in the new Member States

a. „Absolute grounds" as related to situations in the new Member States:

- i. exclude registration of a CTM even before the enlargement (example: Article 6ter of the Paris Convention; geographical indications) (these are the "old" absolute grounds)
- ii. exclude registration of a CTM once the new Member State has joined the European Union, under the principles applicable pursuant to Article 7 (1) and (2) CTMR: (these are the "new" absolute grounds)

b. CTM filed before enlargement:

"New" absolute grounds, such as the descriptive nature of a CTM in one of the languages of the new Member States, does not constitute a ground

- for refusal of pending - and automatically extended - CTM application, regardless of examination status of CTM (Article 142a (2) CTMR)
- for invalidation (or revocation) of any registered CTM, regardless of time of registration (Article 142a (4) CTMR)

### HOWEVER:

- i. if the "new" absolute ground consists in the nondistinctive, descriptive, or generic character of the mark in the new Member State, anyone in that Member State may invoke the "fair use" exception (Article 12 b) CTMR) when making fair use of such descriptive, nondistinctive or generic term
- ii. if the "new" absolute ground consists in the deceptive nature or exists because a trademark is against public policy or morality in a new Member State, the use of that mark may be prohibited in that Member State (Article 106 (2) CTMR)  
= „peius officio"

## **6. Enforcing Community Trademarks**

a. Automatically extended CTMs may be enforced from the date of enlargement in the new Member States pursuant to Articles 9 (1) and (2) and 14 CTMR and in accordance with Title X of the CTMR before the national courts (CTM courts).

b. Where a defense of non-infringement pursuant to Article 95 (3) CTMR is based on an earlier right in the Member State, "earlier" is determined in accordance with the rules explained before, i.e. in relation to the effective date of enlargement.

## **7. Seniority**

a. Proprietors of automatically extended CTM registrations and applications are entitled to claim, after the effective date of enlargement, the seniority of an earlier identical registration for the same goods and services in any of the new Member States held by the same proprietor.

b. The new Member States must adopt provisions in their national legislation to accommodate seniority claims and continuing rights after an eventual abandonment or nonrenewal of national registrations.

## **8. Conversion**

The new Member States must adopt provisions in their national legislation to accommodate conversion claims.

## **9. Language issues**

a. Existing CTM or CD registrations and applications will be effective in the new Member States without translation into the languages of the new Member States, regardless of whether or not such applications or registrations will have been published at the effective date of enlargement (!).

b. Thereafter, filing can be done in all languages of the Community and translations into 20 (!) languages will be provided by Office. A fee increase might occur.