

# INFORMATION SHEET

## European Community Trade marks (CTM)

The European Community Trade mark (CTM) is a unitary federal registration for the 27 member states of the European Union (EU). These member states include: Austria, Belgium, Bulgaria, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Great Britain, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovenia, Slovakia, Spain and Sweden.

A CTM does not replace national trade-marks but provides an alternative thereto. Due to its unitary nature, a CTM can only be registered, transferred or revoked for the whole European Community and not for any individual countries therein.

The Trade mark Office for the European Community Trade mark is located in Alicante, Spain and is known as the Office for Harmonization in the Internal Market (OHIM). The Community Trade mark came into effect on April 1, 1996.

**Who may apply?** Any natural or legal person may obtain a CTM registration. Applications may be filed through the national offices of any of the EU member states, as well as directly with the OHIM in Alicante, Spain.

**Applications.** Trade-marks are registrable in respect of goods and/or services that are classified according to the International Classification System. The application can cover any number of classes but additional fees will be payable for each class in excess of three.

**Prior rights.** The applicant can claim prior rights by claiming:

(a) conventional priority within six months from the date of filing of a prior application for the same trade-mark in any State party to the Paris Convention or to the Agreement establishing the World Trade Organization;

(b) seniority from any national registration(s) in a member state of the EU for the identical trade-mark to the applied-for trade-mark.

Seniority should not be confused with priority. The notion of seniority means that the owner of a trade-mark consolidates its earlier national rights into one CTM registration, while retaining the rights from its earlier national registration. Upon registration of the CTM, the earlier national registration is surrendered. However, it could be resurrected if the need arises, pursuant to the seniority claim. This of course has financial advantages as the national registration(s) for which seniority is claimed may be permitted to lapse, thereby allowing the owner to consolidate its rights into a single CTM registration, with only one renewal fee.

**Examination.** The OHIM will examine applications as to formalities. Inherent registrability will also be examined and the application can be refused if the trade-mark is devoid of distinctive character. There are absolute grounds for refusal as well, including marks that are contrary to public policy or morality; deceptive; serve to designate the kind, quality, quantity, intended purpose, value, geographical origin, etc. or other characteristics of the goods and/or services.

**Searches.** The OHIM searches the CTM Register of Trade marks. National searches are conducted only when requested by the applicant. The owner(s) of any conflicting prior trade-mark(s) appearing on the CTM Register of Trade marks and revealed by the OHIM search will be notified of the publication of the applied-for CTM.

Conflicting marks will not be cited as a bar to registration and the OHIM cannot refuse a trade-mark on its own initiative based upon prior conflicting trade-marks. The onus is on the owner of an earlier trade-mark to formally oppose the conflicting CTM.

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**Oppositions.** The CTM will be published in the Community Trade mark Bulletin. Oppositions may be lodged within three months of publication, by anyone having, an earlier national or CTM.

Since CTM applications will not be rejected based upon conflicting prior rights, it is important for owners of prior trade-marks to carry out a regular watch of all marks that are published in the Community Trade mark Bulletin. We provide this service to a number of our clients. Please speak to any of our professionals for further information.

An opposition can be based upon:

- (a) a prior national or CTM application or registration;
- (b) a non-registered mark that is well known in a member state of the EU;
- (c) a non-registered mark of "more than local significance" in use in a member state of the EU (e.g. one that would give common law rights in a state)

It is important to note that the losing party in an opposition will be required to pay partial costs to the other party, in accordance with a standard scale.

**Rejection and conversion.** If the CTM application is refused, withdrawn or deemed to be withdrawn, the applicant may, in certain cases, apply to convert its application into a national application in one or more of the member states of the EU. The filing date of the CTM is maintained when the application is converted into a national application. However, the National Office will request payment of a national application filing fee. The same principles would apply where a CTM registration ceases to have effect. In this case, if a national registration once existed and was subsequently surrendered upon the filing of the CTM application, pursuant to a seniority claim, this prior national registration could be resurrected, with the earlier rights accruing therefrom.

Note that, where a CTM application or registration ceases to have effect based upon the prior national rights of a third party, conversion

into a national application or registration will not be possible in the member state(s) of the EU where the prior national rights were successfully asserted.

Finally, conversion is not possible where rights in the CTM have been revoked due to non-use.

**Division.** If an objection is issued and/or an opposition is raised with regards to only some of the goods and/or services listed in the CTM application, they could be divided out so that the original application might at least proceed with respect to the goods and/or services not otherwise objected to and/or subject of the opposition. Goods and/or services could also be divided out of a CTM registration.

**Assignment.** The CTM may be assigned in respect of some or all of the goods and services, but only for the whole of the EU. The assignment must be in writing, executed by both parties.

**Renewal.** The CTM registration is renewable every 10 years (from the date of filing). No evidence of use is required for renewal.

**Obligation to use.** The CTM must be genuinely used within five years from registration. Moreover, once such use occurs, it cannot be interrupted for more than five years.

**Summary.** There are many advantages to registering a CTM, including:

- obtaining a single registration covering all EU countries
- single filing date in all EU countries
- cost savings on the filing process if legal protection is sought in at least three EU member states
- one renewal necessary; similarly only one assignment necessary

Some aspects of the CTM may be disadvantageous in some circumstances:

- costly for the applicant if less than three states of interest
- can be costly if application is rejected for any reason and conversion into national applications becomes necessary

- assignment only possible for the entire EU, i.e. not single member states only
- may be advisable to search national Registers of relevant EU member states prior to filing, which is a costly endeavor

We would be pleased to discuss your specific requirements and to advise you on the best means of protecting your intellectual property. Please contact any of our offices.