



KADOR & PARTNER

---

# NEWSLETTER

---

March 2004

- News About Us: Lecture Activities and Business Trips
- European Patent Law: New Rules of Procedure of the Boards of Appeal of the European Patent Office
- European Trade Mark and Design Law: Various Recent Decisions
- EU Enlargement and the Impact on Community Trade Marks

80469 München  
Corneliusstr. 15  
Tel: +49 89 201 52 52  
Fax: +49 89 201 52 42 & 2 0144 54  
IntellectualProperty@csi.com  
<http://www.KadorPartner.de>

London SW1V 1QL  
99 Warwick Way  
Tel: +44 20 78 34 85 89  
Fax: +44 20 76 30 02 86  
JACooper@KadorPartners.com

01309 Dresden  
Loschwitzer Str. 28  
Tel: +49 351 310 39 90  
Fax: +49 351 310 39 91  
Mobile Phone: + 49 177 242 01 04  
Kaufmann@KadorPartner.de

03001 Alicante  
Castaños 10-Atico 3  
Tel: +34 96 521 57 58  
Fax: +34 96 521 57 58

## I. NEWS ABOUT US

### 1. Lecture activities and business trips

#### AUSTRIA

In November 2003, Dr. Kador and his team of patent attorneys, Dr. Bernhard Pillep, Dr. Berthold Lux and Mr. Chris Hamer, held a lecture on "Obtaining strong patent protection – a guidance for inventors" in the nice city of Linz (Austria). The lecture was aimed at giving inventors basic knowledge in patent drafting. The lecture focused on the questions of what kind of information is needed from the scientist in order to achieve the best patent protection. In particular, several problems relating to the sufficiency of disclosure in the light of recent case law of the Boards of Appeal of the European Patent Office, and their implications for the patent drafting practise were analysed and discussed.

#### SCOTLAND

Also in November 2003, patent attorney Dr. Berthold Lux attended the CIPA Biotechnology Annual Seminar in the Royal Society of Edinburgh. The seminar gave an excellent overview on the latest developments in case law in the field of biotechnology, and also on the main problems in drafting patents in this field. The meeting was attended by patent professionals from all over Europe and was held in a very personal atmosphere so that the participants had a good opportunity to exchange ideas.

#### U.S.A.

On the occasion of a business trip to the U.S.A. in autumn 2003, Dr. Kador and Ms. Janette Küntschler, Attorney at Law at Kador & Partner, took the chance to visit several clients *inter alia* in Milwaukee, New York and Boston.

#### SOUTH AFRICA

In January 2004, Dr. Kador travelled to South Africa in order to meet colleagues and clients to exchange opinions and to give an overview of recent developments in the field of European intellectual property matters.

### 2. INTA's Annual Meeting in Atlanta

This year INTA's 126<sup>th</sup> Anniversary Annual Meeting will take place in Atlanta, Georgia, from May 1 to May 5, 2004. The International Trade Mark Association (INTA), founded in 1878, is an international association of trade mark owners and professionals dedicated to the support and advancement of trade marks and related intellectual property as elements of fair national and international commerce. As every year, Kador & Partner will also be represented at the meeting. This meeting attracts thousands of participants each year and is therefore an interesting platform for networking opportunities and latest news on trade mark matters.

The **CTM Advisory Initiative** ([www.community-trade-mark.org](http://www.community-trade-mark.org)), founded in 2000 by several experienced Munich attorneys, is planning a special event in Atlanta for our clients. The detailed activities will be advertised on the above-mentioned homepage in due time.

### 3. INTA Roundtables in 2003/2004

In 2003, Kador & Partner hosted three INTA Roundtables concerning the topics "*The relation between Trade Marks and the new Community Design under European Law*" held by Dr. Annette Kur, esteemed member of the Max Planck Institute for Intellectual Property in Munich, "*Law of Unfair Competition*" by Prof. Dr. Helmut Köhler, Professor for Civil and Commercial Law at the University of Munich, and "*New European Regulation on border seizure*" by Mr. Klaus Hoffmeister, Regional Tax Office Munich.

We are pleased to host further INTA Roundtables in our office in 2004. At the moment we are arranging the next Roundtables and are in touch with interesting speakers for the forthcoming events. Current items and speakers will be announced in our NewsLetter and, as usual, in the INTA Bulletin in due time.

### 4. LESI Conference 2004

LES France will host this year's LESI international

conference in Paris from March 28 to March 31, 2004. The conference program under the headline “Licensing in a Controversial Environment” will include *inter alia* the subjects of intellectual property (IP) asset management, IP protection and licensing negotiations. Kador & Partner will also be represented at this meeting, where people from all over the world are brought together in order to exchange ideas and experiences.

Last but not least, we proudly announce that **Dr. Bernhard Pillep** has passed the demanding European Qualification Examination. In addition to being authorized as a European Trade Mark Attorney and German Patent Attorney, he is now also authorized as a European Patent Attorney as of October 2003.

## II. European Patent Law

### 1. New Rules of Procedure of the Boards of Appeal of the European Patent Office

New rules of procedure have entered into force on May 1, 2003, which entail significant changes in the procedure before the Boards of Appeal of the European Patent Office (EPO). The new rules apply to proceedings in which the notice of appeal was received by the European Patent Office after May 1, 2003.

The most important changes are pursuant to new Articles 10a, 10b, 10c, and 11a, and amended Article 11.

- In Art.10a(1)b it is stated that appeal proceedings, in cases where there is more than one party, shall be based on any written reply to the other party or parties to be filed within four months of notification of the grounds of appeal.
- Art. 10a(2) requires that the statement of grounds of appeal and the reply shall contain a party's complete case. The party shall clearly and concisely set out the reasons why the decision under appeal is challenged or supported and should contain, expressly or by specific reference to material filed in the first instance pro-

ceedings, all the facts, arguments and evidence relied on and all requests made. Unless otherwise authorized by the Board, copies of paper referred to shall be attached as annexes.

- Moreover, it should be noted that according to Art. 10a(5), an extension of time limit may exceptionally be allowed at the Board's discretion following receipt of a written and reasoned request.
- Art. 11a deals with the cost of the appeal proceedings and the Board may order a party, upon request, to pay some or all of another party's costs which shall, without limiting the Board's discretion, include those incurred by any amendment pursuant to Art. 10b to a party's case as filed pursuant to Art. 10a(1) and, which is also important, by any extension of time limit.

As a consequence of the new rules the following shall in particular be taken into account:

The appellant and the respondent must present the complete case in the first appeal submission, be it the appellant's grounds for appeal or the respondent's response thereto. Subsequent changes may not be allowed and, in *inter partes* proceedings, may have implications in awarding costs against parties raising new matter. Moreover, where the Board issues a communication inviting or requiring a response, a full response must be filed. Failure to do so could lead to an award of costs.

### 2. Grounds of Opposition - Decision T 131/01

Decision T 131/01 of a Technical Board of Appeal concerned an opposition case in which the opposition grounds “lack of novelty” and “lack of inventive step” had been raised, but only the ground “lack of novelty” had been substantiated.

According to this decision, substantiation of the ground of “lack of inventive step” is not necessary where this ground is based on the same prior art documents which are used for supporting the ground of “lack of novelty”.

The Board found that where a prior art document shows all features of an opposed patent claim, it is

neither necessary, nor possible, to present an additional argumentation supporting a lack of inventive step. Since an argumentation regarding “lack of inventive step” requires a discussion of the difference between the subject matter of an opposed claim and that of a prior art document, the need for substantiating the ground of “lack of inventive step” would be contradictory to the reasoning presented in support of “lack of novelty”.

### **3. Non-technical features are negligible - Decision T 641/00**

In decision T 641/00, the Board of Appeal confirmed previous decisions concerning non-technical features in a claim. It was confirmed that non-technical features cannot contribute to an inventive step of claimed subject-matter.

According to this decision, an invention consisting of a mixture of technical and non-technical features, and which has a technical character as a whole, is to be assessed with respect to the requirement of inventive step by taking into account only those features, which contribute to said technical character. In other words, features which do not contribute to the technical character cannot support the presence of an inventive step.

In the present case the disputed claim was directed to a method regarding the digital mobile telephone system GSU. It allocates each subscriber two different identifications which can be alternatively activated according to official or private use so that the costs can be allotted either to the official or to the private identification.

According to this decision, the claimed split-up of fees into private and official purposes can be regarded as merely business-related features that do not make any technical contribution.

Hence, the decision of the Technical Board of Appeal confirmed the previous practice of the European Patent Office that, on the one hand, claims consisting of a mixture of technical and non-technical features are allowable, but that, on the other hand, the non-technical features are disregarded for the determination of inventive step.

### **4. Procedural matters - T 694/01 and T 656/98**

In two decisions, the Technical Boards of Appeal decided on specific procedural matters.

In T 694/01 the Board dealt with the question of whether an intervener at the very end of appeal proceedings is allowed to successfully introduce new grounds for opposition, even though the allowability of the claims has already been approved by the Technical Board of Appeal.

According to this decision, an intervention is dependent on the extent to which opposition/appeal proceedings are still pending. The Board decided that when a patent is to be maintained on the basis of a given set of claims and a description to be adapted thereto, a party intervening during subsequent appeal proceedings is confined to the issue of the adaptation of the description and cannot challenge the *res judicata* effect of the previous Board of Appeal Decision regardless of whether a new ground of opposition is introduced.

In T 656/98 the Board considered the situation where a new owner of a patent had filed an appeal even though the assignment had not been submitted to the EPO and the necessary fee had not been paid (Rule 20 EPC). In particular, the patent was transferred during an opposition proceeding from company A to company B both belonging to the same group of companies. However, neither company A nor company B informed the EPO of the transfer of right during the opposition proceedings. The patent was revoked during opposition proceedings and the appeal was lodged in due time but filed by company B rather than by the registered owner and only party to the first instance proceedings company A.

The Board decided that for an assignee of a patent to be entitled to appeal, the necessary documents establishing the assignment, the request for recordal and the necessary fee pursuant to Rule 20 EPC must be submitted before the expiry of the period for appeal under Art. 108 EPC. Later recordal of the transfer does not retro-actively validate the appeal.

The decision should be taken as a serious warning

to all patent proprietors in opposition and appeal proceedings to register assignments of right as soon as possible. Further, it should be noted that the formal requirements for registering an assignment of a patent at the EPO are fairly low and, hence, the registration should by no means be delayed because such a delay can have quite dramatic consequences, as this decision shows.

#### **5. Lack of Clarity – Decision T 1020/98**

It is unlikely to have escaped notice that the EPO has, in recent times, become more stringent with respect to the application of the articles and rules of the European Patent Convention (EPC). Such strict interpretation has led to unforeseen difficulties in the prosecution of numerous applications and as a result unexpected further costs.

T 1020/98 is an appeal of a decision by the Examining Division whereby an application was refused on the ground of lack of clarity under Article 84 EPC.

The decision was made in respect of a product claim for a particular group of chemical compounds. The claimed compounds were defined using the Markush Style (referring back to claims 1 to 4) and the claim additionally comprised two disclaimers (the validity of which was not considered).

The claim was rejected under Article 84 by the Examining Division on the following grounds:

- It must be possible to establish with absolute certainty within reasonable time whether a given compound falls within the scope of the claim.
- Claims should be formulated in a style that does not make routine tasks in examination "unnecessarily difficult".

In its decision, the Board of Appeal rejected the decision of the Examining Division stating that the use of a Markush Style claim was a "*classic method, part of the standard toolkit of the relevant skilled person*" in drafting chemical claims.

Further, it was not apparent what was meant by the

"reasonable time" yardstick - and such a requirement is not supported by the EPC:

*"Article 84 EPC clarity requirement offers no basis for objecting that a claim is not simple but complex and hence takes too long to understand, as complexity is not tantamount to lack of clarity of a claim. Under the EPC, the simplicity of an individual claim is not a self-contained requirement for a patent to be granted. Any such requirement would be inappropriate, as it would exclude from patent protection any invention having a subject-matter not describable in a simple claim formulation."*

It was also stated that there is no legal basis in the EPC for using a claim formulation which does not make

*"routine tasks in substantive examination unnecessarily difficult",* and further

*"the applicant's duty is simply to comply with all the provisions of the EPC."*

Although this decision is concerned with Markush claims and their complexity, the theme of the decision is that if a claim is clear and unambiguous to the skilled person (in light also of the description), then full examination, and also searches, should be carried out, even if such a claim requires time for analysis due to its complexity and results in an increased workload for an Examiner!

Hopefully, this refreshing breath of realism will, in due course, spread to other parts of European patent prosecution.

#### **6. Validity of Priority Claim from First Application in Non-Paris Convention State**

In decisions J9/98 and J10/98, the Legal Board of Appeal of the European Patent Office referred to the Enlarged Board of Appeal the question of whether the applicant of a European patent application originally filed as a Euro-PCT application is entitled, in view of the TRIPS agreement, to claim priority from a previous first filing in a state not party to the Paris Convention, but member of the WTO/TRIPS. The case is pending under numbers

G2/02 and G3/02 at the Enlarged Board of Appeal.

In the present practice of the EPO, such priorities are not accepted. For all pending cases to which the Enlarged Board of Appeal decision is relevant, an applicant will receive a communication from the EPO inviting him to declare whether the start of the substantive examination should be delayed until the Enlarged Board of Appeal has issued its decision.

### **7. Hearing in “Disclaimer”-Case G 1/03 before Enlarged Board of Appeal**

The Enlarged Board of Appeal hearing for cases G 1/03 (concurrently handled with G 2/03) concerning the allowability of disclaimers in patent claims (see our NewsLetter of September 2003) was attended by Dr. Kador and Mr. Hamer.

Although no final decision was taken after the hearing by the Enlarged Board of Appeal, it seems likely that disclaimers will at least be allowed in order to overcome a “54 (3) citation”, i.e. a European patent (application) which has a filing (or priority) date earlier than the application in question, but was published only after the filing (or priority) date of the application, and is thus relevant for novelty only. However, the exact form of such disclaimers, and on what they must be based is not unclear. The final decision of the Enlarged Board is expected in the next few months.

## **III. European Trade Mark and Design Law**

### **1. Decision of the European Court of Justice on Sound Signs**

Following its decisions on olfactory and colour signs (see our NewsLetter of September 2003), the European Court of Justice (ECJ) now gave a ruling on a further category of these “exotic” signs, namely on sound signs<sup>1</sup>.

First, the Court expressed its view that although sound signs are not listed *expressis verbis* as an example in Art. 2(a) of the Community Trade Mark (CTM) Directive, this article must be interpreted as

meaning that sounds may also constitute a trade mark. In more detail, the Court stated that “*sound signs must be capable of being regarded as trade marks provided that they are capable of distinguishing the goods or services of one undertaking from those of other undertakings and are capable of being represented graphically.*”

The Court then pointed out that for a trade mark application to be treated as an application for a sound sign, it is important that this is clearly stated in the filing documents. This remark of the Court was occasioned by the fact that in several of the applications the Court had to consider that this had not been done, but merely a description of a certain sound had been filed.

While not further commenting on the question of distinctiveness, the Court went on to express in detail its opinion on an appropriate graphical representation form of a sound sign. It was first emphasized that, as for all kinds of trade mark signs, a graphical representation must be clear, precise, self-contained, easily accessible, intelligible, durable and objective. These conditions are also binding on sound signs which, like olfactory signs, are not in themselves capable of visual perception.

Several specific examples of a graphical representation for sounds were then assessed by the Court with regard to their compatibility with the above-mentioned requirements.

It came to the conclusion that those requirements are not satisfied “*when the sign is represented graphically by means of a description using the written language, such as an indication that the sign consists of notes going to make up a musical work, or the indication that it is a cry of an animal, or by means of a simple onomatopoeia, without more, or by means of a sequence of musical notes, without more.*”

The Court then continued that

“*on the other hand, those requirements are satisfied where the sign is represented by a stave divided into measures and showing, in particular, a clef, musical notes and rests whose form indicates*

<sup>1</sup> Judgement of the Court of November 27, 2003, Case C-283/01

*the relative value and, where necessary, accidentals.”*

In our opinion, the present decision is very well in line with the previous decisions on the graphic representation of olfactory and colour signs. In particular, the Court gave a clear guidance to the applicant that where a sound sign is applied for, this must be stated *expressis verbis* in the application and that a graphical representation in the form of a classical musical notation (“a stave divided into measures ...,” see above) complies with the requirements of graphic representation.

It is interesting that in an *obiter dictum*, the Court pointed out that it would not deliver a ruling on the questions whether a sonogram, a sound-recording, a digital recording or a combination of those methods complies with the requirements for graphic representation as requested by e.g. the French and Austrian governments in written submissions. As a reason therefor, the Court explained that the basic applications for registration of sound signs underlying the case did not contain a graphic representation in any of the above-mentioned forms. The Court thus concluded that the above questions are only hypothetical and declined to deliver an advisory opinion thereon.

## **2. Decision “DOUBLEMINT” of the ECJ on Descriptive Signs**

In its “DOUBLEMINT”-decision<sup>2</sup>, the European Court of Justice gave a more precise interpretation of Art. 7(1)(c) Community Trade Mark (CTM) Regulation, which prohibits the registration of trade marks consisting exclusively of descriptive terms. In its decision, the Court overruled a ruling given by the European Court of First Instance in which the term “doublemint” was found to comply with Art. 7(1)(c) CTM Regulation.

In particular, the Court expressed its opinion that the Court of First Instance had applied a wrong “test” when assessing compliance of the term “doublemint” with Art. 7(1)(c) CTM Regulation. The test applied was that signs or indications whose

meaning goes beyond being merely descriptive are capable of being registered as Community trade marks. This led the Court of First Instance to the interpretation of Art. 7(1)(c) CTM Regulation as precluding only the registration of trade marks which are exclusively descriptive of the goods or services applied for.

In contrast to this opinion, the ECJ made clear that *“a sign must ... be refused registration under the provision if at least one of its possible meanings designates a characteristic of the goods or services concerned”*. Furthermore, the ECJ pointed out that it is not necessary that the signs and indications composing the mark are actually used at the time of the application for registration in a way that it is descriptive, but that it is sufficient that such signs and indications *could* be used for such purposes.

In addition to giving a more precise interpretation of Art. 7(1)(c) CTM Regulation, this decision is interesting insofar as both the applicant and the Court of First Instance relied on the ECJ Ruling “Baby-Dry” (see our NewsLetter of December 2001) in which the Court had expressed quite a liberal view on Art. 7(1)(c) CTM Regulation.

However, in the present decision, the ECJ at no instance cited or commented on the “Baby-Dry” decision. This can be seen as an indication that the ECJ no longer supports the reasoning of the liberal “Baby-Dry” decision, although this was not stated *expressis verbis*.

In this regard, the present decision is in line with the “Companyline” decision (see our Newsletter of September 2003) in which the Court gave a stricter ruling on Art. 7(1)(b) CTM Regulation concerning the registration of terms lacking distinctiveness than it did in the “Baby-Dry” decision.

It can thus be concluded from the present and the “Companyline” decisions that relying on the liberal “Baby-Dry” decision will no longer be of help for applicants in proceedings before the OHIM.

## **3. Decision of the Court of First Instance**

<sup>2</sup> Judgement of the Court of October 23, 2003, Case C-191/01 P

On December 12, 2002, the CFI delivered a judgement<sup>3</sup> on the distinctiveness acquired through use after the date of filing with regard to a provision of the Community Trade Mark Regulation. Pursuant to this provision, absolute grounds for refusal shall not apply if the trade mark has become distinctive in relation to the goods or services for which the registration is requested.

In the Courts opinion "*the provision has to be interpreted as meaning that a mark must have become distinctive through use before the application was filed. Accordingly, it is irrelevant that the mark may have acquired distinctiveness through use after the application was filed, but before the Community Trade Mark Office, in the form of an examiner or, where appropriate, the Board of Appeal, has determined whether there are any absolute grounds for refusing registration of the mark.*"

OHIM will not consider evidence of use that occurred after the date of filing. Consequently, before filing a trade mark application, which will definitely be rejected on absolute grounds and is to be based on the acquired distinctiveness one should make sure that the evidence proving the distinctiveness, is sufficient. Thus, the trade mark must have become distinctive in every country where the absolute grounds apply. However, if the absolute grounds apply within the whole EU, it is sufficient to prove the acquired distinctiveness due to turnover, expenses and publicity over 50 % in several relevant markets.

#### **4. First Community Design Ruling**

Following the introduction of the new Community Design Regulations, which we detailed in our NewsLetter of May 2002, the UK High Court has recently issued an EU-wide decision in respect of infringement of unregistered Community Design protection.

The case concerned US toy company Mattel which marketed a doll sold under the name "My Scene" and a competing doll sold under the name "My Style" by Simba Toys, a German toy company.

<sup>3</sup> Judgement of the Court of First Instance (Fourth Chamber) of December 12, 2002; Case T-247/01

By decision of October 24, 2003, Mr. Justice Hugh Laddie delivered an order that Simba Toys had infringed Mattel's unregistered Community design by producing and selling similar-looking dolls in the EU.

In the decision, Laddie ordered Simba Toys to stop producing, advertising and selling its infringing dolls in the EU and continuing to infringe Mattel's rights for "My Scene" dolls in any EU country. It was also ordered that the defendants write to everyone whom they knew or had reason to believe had any "My Style" dolls for commercial purposes within the European Community, and request the return of any such dolls to Simba. In addition, Simba was ordered to pay £ 450,000 as an in-terim payment of costs. Damages will be decided in the future.

This decision shows the value of (unregistered) Community design rights to designers. Further, the availability of EU-wide injunctions is also of great value, as the matter need only be heard once, and not in each individual EU-country.

Further details of registered and unregistered Community design protection can be obtained on request.

#### **5. Community Design Statistics**

As from 1<sup>st</sup> April 2003, the Office for Harmonisation in the Internal Market (OHIM) in Alicante registers Community Designs under the EU's new Community system for the protection of designs. We have reported thereon *inter alia* in our NewLetter of December 2001.

The registration procedure is simple and inexpensive. Therefore, a large number of our clients have already applied for the new Community design and we are pleased to provide you with the current OHIM figures related to Community Design applications in 2003:

Altogether, approximately 40,000 Community Design applications were filed by the end of 2003. The huge number of applications shows the great



interest in this new broad scope of protection of designs within the European Community.

#### **IV. EU Enlargement and the Impact on Community Trade Marks**

The accession of ten new Member States<sup>4</sup> to the European Union (EU) will become effective on 1 May 2004. This enlargement of the EU will have important impact on EU intellectual property rights, i.e. Community Trade Marks and Community Designs, although the new Member States and all their inhabitants must accept the existing Community law coming into force for them through the accession.

The existing law of the accession countries might have contradicted extension of existing Community Trade Marks. Therefore, the Community Trade Mark Regulation (CTMR)<sup>5</sup> has been amended to include new provisions in order to solve such conflicts. The key provision is the new Article 142 a CTMR which defines the introduction of the existing Community Trade Marks into the enlarged EU.

##### **1. Impact on existing Community Trade Marks and pending applications**

###### a) Principles

The following principles are laid down in Article 142 a CTMR:

- All existing Community Trade Mark registrations and applications will be automatically extended to the new Member States with effect from the accession date (see b) below),
- pending applications will not be subject to examination and hence may not be refused on absolute grounds which become applicable only because of the accession of the new Member States (see c) below),
- similarly, existing Community Trade Marks

<sup>4</sup> Czech Republic, Hungary, Poland, Slovakia, Slovenia, Estonia, Latvia, Lithuania, Cyprus, Malta

<sup>5</sup> Council Regulation (EC) No. 40/94 of 20 December 1993 on the Community Trade Mark (Community Trade Mark Regulation – CTMR)

may not be attacked with invalidation proceeding on the basis of grounds which become applicable only because of the accession of the new Member States (see also c),

- pending Community Trade Marks applications may not be opposed on the basis of earlier rights arising from prior registrations in the new Member States, unless the CTM application has been filed within six month preceding the accession date (see d) below),
- earlier rights acquired in good faith in one of the new Member States might bar the use of an extended Community Trade Mark in that Member State.

###### b) Automatic Extension

The automatic extension of all existing Community Trade Mark registrations and applications (filed before 1 May 2004) means that

- the owner of a registration or application does not have to apply for the extension and
- no additional fees will fall due.

###### c) Absolute Bars to Protection

At present, Community Trade Marks applications may be refused, and registered Community Trade Marks may be attacked on absolute grounds valid for all current EU Member States. If this system had simply been extended to all new Member states, CTMs could have also been attacked on the basis of absolute grounds valid for any of the new Member States, e.g. descriptiveness in one of the languages used in these states. In order to protect the interests of Community Trade Mark owners, existing Community Trade Marks and pending applications having a filing date before the accession date will be “grandfathered”<sup>6</sup>.

In general, Community Trade Mark applications must be refused on absolute grounds if they are devoid of distinctive character, if they consist exclusively of descriptive indications, or if they are or have become generic for the relevant goods or

<sup>6</sup> I.e. they are not subject to refusal or invalidation on the basis of “new” absolute grounds.

services. For example, this means that currently an application must be refused where the Trade Mark has a descriptive meaning in one of the current 11 official languages. In spite of these provisions, a Trade Mark might acquire distinctive character through use.

A Trade Mark application filed before the accession date could, for example, consist of an element which is considered descriptive in the language of one of the new Member States. According to Art 142 a) CTMR this application will nevertheless proceed to registration as the descriptiveness of the term in the language of the new Member State is not a ground for refusal.

On the other hand, an application/registration like this cannot be used to bar the use of this descriptive term in the Member State.

As regards the acquired distinctiveness, the “grandfathering” of the existing Trade Marks makes the proof of acquired distinctiveness through use redundant for the accession countries.

In addition, the “grandfathering” also protects existing registrations from being invalidated because of grounds<sup>7</sup>, which will become applicable only after the date of accession.

#### d) Relative Bars to Protection

Relative bars or grounds are earlier rights on which opposition proceedings or invalidation actions can be based. It is important to point out that rights resulting from earlier Trade Marks or other rights in the new Member States are considered earlier if they were acquired prior to the effective date of accession, i.e. they must have been acquired prior to 1 May 2004.

Community Trade Mark registrations might come into conflict with these earlier new rights. In order to protect the interests of Trade Mark proprietors and avoid piracy problems, Article 142 a CTMR provides the following:

(1) An application for the registration of a Community trade mark filed during the six months prior

to the date of accession might be opposed on the basis of a new earlier right, provided that it was acquired in good faith and that the filing date or, where applicable, the priority date or the date of acquisition in the new Member State of the earlier trade mark or other earlier right precedes the filing date or, where applicable, the priority date of the Community trade mark applied for.

Proprietors of earlier rights have an exceptional opposition right as regards applications for Community Trade Marks filed within six months preceding the accession date, i.e. between 1 November 2003 and 30 April 2004. The earlier right must not have been acquired in bad faith (of which the definition will follow under (4)). The application owner in the opposition proceedings must properly raise this defence. It will not be considered by the Office “ex officio”.

(2) A Community Trade Mark may not be declared invalid on the basis of new earlier rights if the earlier national right was registered, applied for or acquired in a new Member State prior to the date of accession.

The possibility of attacking existing Community applications is restricted to the exceptional opposition right. It is not possible to attack an existing Community Trade Mark registration with an invalidation action based on a prior right.

(3) The use of a Community trade mark may be prohibited, if the earlier trade mark or other earlier right was registered, applied for or acquired in good faith in the new Member State prior to the date of accession of that State; or, where applicable, has a priority date prior to the date of accession of that State.

Rights validly acquired in the new Member States provide a right to prohibit use of a Community Trade Mark in the territory of the Member State where the right is protected.

(4) Nevertheless, all these rights involve the condition that the right has been acquired in good

---

<sup>7</sup> Lack of distinctiveness, bad faith

faith.

Although the “bad faith” exception is recognised by all European Member States the principle has not yet been harmonized. The Harmonization Directive, thus, requests that the European Member States provide an absolute ground for refusal of a Trade Mark application in their laws where an application or Trade Mark has been acquired in bad faith. Nevertheless, no criteria for examining whether or not a party acted in bad faith have been provided by the amendments.

Von Mühlendahl<sup>8</sup> pointed out that a so-called “knowledge plus” rule will help to provide evidence for the bad faith claim.

As regards the knowledge-element, he stated that this should be made more concrete, for example by requiring less than actual knowledge, such as availability of information through a simple search.

With regard to the plus-element, the following should be taken into account:

- knowledge or notoriety of the mark within the European Union;
- date of acquisition of the mark (the closer to the accession date the less respectable);
- behaviour of the owner of the conflicting right;
- identity implies bad faith.

#### e) Further implications

Pursuant to the CTMR, a registered Trade Mark may be revoked if it has not been genuinely used. Genuine use requires serious use of the Trade Mark which must be evidenced relating to nature, extent, time and place of that use. It is likely that the requirements relating to nature, extent and time of the use will not change. However, the principle that use in a single Member State is automatically considered sufficient might be subject to serious

ered sufficient might be subject to serious reconsideration in view of the economically different countries, in the north and south of Europe as well as in view of small member states such as Malta.

In addition, use in a new Member State will be only considered sufficient after the date of accession. If use in a new Member State has only taken place before the date of accession, this will not be considered sufficient to prove use in the territory of the European Community.

As regards revocation proceedings based on the ground that a Trade Mark has become a common term, it will still be sufficient if it can be proven that a mark has developed into a generic indication in a single Member State.

## **2. New Community Trade Marks**

Applications filed after the accession date will have effect for the 25 states of the EU. Claims for seniority will be handled as usual. Therefore, seniority for the new Member State can be claimed after the date of accession.

## **3. Conclusion**

In order to avoid invalidation actions based on absolute grounds which become applicable through the accession of the new Member States, we strongly recommend filing of intended Community Trade Mark applications before the date of accession of the new EU member states, i.e. before May 1, 2004.

Owners of applications with a filing date preceding the accession date only have to deal with oppositions filed by owners of an earlier right (i.e. preceding the accession date). Further, the databases of the new Member States should be included in searches for the availability of marks.

As further questions may of course arise and not every single problem was covered by this article, we will be pleased to assist you with further information upon your request.

<sup>8</sup> ECTA. von Mühlendahl, Special Newsletter No. 49 October 2003, “The enlargement of the European Union and Community Trade Marks – harmony or conflict?”, p. 21