

ment establishing the WTO may, in order to file a Community trade mark application, claim priority during six months from the date of filing of the first application. This requires that the later application is made for the same mark and for either identical goods or services or goods or services comprised by the first application. The effect of the priority right is that the application of the Community trade mark is deemed to have been made on the priority date for the purposes of establishing which rights take precedence, Art. 31 CTMR.

A particularity of the Community trade mark system is the option to claim seniority of an earlier national trade mark for purposes of a respective Community trade mark application according to Art. 34 and 35 CTMR. Provided that the desired Community trade mark is identical with the older national mark and the goods or services applied for are identical with or contained within those for which the earlier national mark has been registered, the proprietor is, even if the earlier national mark is surrendered or has lapsed, deemed to continue having the same rights as if the earlier mark had continued to be in force, Art. 34(1) and (2) CMTR. The option to claim seniority aims at inducing proprietors of national trade marks to surrender these rights in favour of corresponding Community trade marks.⁷⁴³

Apart from general registration requirements such as payment of fees, OHIM particularly examines title, classification of the goods and services according to the Nice Classification and absolute grounds for refusal of trade mark protection, Art. 26(1), 27 and 36 CTMR. Both natural and legal persons may apply for a Community trade mark, as both are allowed to be trade mark proprietors, Art. 5 CTMR. If the aforementioned requirements are met, OHIM issues a Community search report containing older Community trade marks or applications which may be used to challenge the application at hand as relative grounds for refusal of trade mark protection. The application itself is published, at the earliest, one month after OHIM has transmitted the search report to the applicant, Art. 39(6), 40 CTMR.

Third persons then have the opportunity to make observations based on absolute grounds for refusal of trade mark protection (which OHIM examines *ex officio*) or to file an opposition based on relative grounds for refusal, Art. 41-43 CTMR. Depending on the outcome of such proceedings, the application

743 *Marx*, Deutsches, europäisches und internationales Markenrecht, at no. 1221.

is either rejected or the respective trade mark is registered if the registration fee has been duly paid, Art. 45 CTMR, Rule 23 (2) Implementing Regulation. A Community trade mark is – provided that the use requirements are met – valid for ten years from the filing date with the possibility of infinite renewal, Art. 46 CTMR.

5.6.3 Relation to Brand Value

Proper trade mark registration is a “yes or no” issue – it either exists or not. Its absence will, in most cases other than of trade marks acquired through use or well-known marks, be a serious value detractor since this crucial factor of securing legal freedom to operate for the corresponding brand is missing. The *eBay* example mentioned above at 5.6.1 illuminates this. Furthermore, failing trade mark protection can even be an issue of sheer existence or survival of the brand, especially if it is still juvenile and does not consist of much more than the signs for which trade mark protection is sought.⁷⁴⁴

Whereas failing trade mark registration is generally a clear value detractor or even value destructor, affirmed registration is not a mirror image to the extent that it is as much a value enhancer as failing registration is a detractor. Rather, it is, since it creates legal scarcity, a basic prerequisite for most brands to be able to build value at all,⁷⁴⁵ but not a guarantee that this will happen at all, let alone to a noteworthy degree.

What is more, registration fees⁷⁴⁶ and possible attorney’s fees⁷⁴⁷ play a dual role with respect to trade mark and brand value. Firstly, within the overall branding strategy, they need to be weighed against the benefit a registered trade mark entails. Such cost-benefit analysis should be carried out on a regular strategic basis, the respective outcome of which would then be implemented by (refraining from) registration. For instance, as a rule of thumb, one can say that registration of a Community trade mark is expedient in case the proprietor’s business activities extend to three or more EU Member States or are likely to do so in the foreseeable future.⁷⁴⁸

⁷⁴⁴ Cf. *supra* at 5.1.

⁷⁴⁵ Cf. *supra* at 2.1.3.3.7.

⁷⁴⁶ Above at 5.3.2.

⁷⁴⁷ Representation by an attorney is not mandatory in order to get a German or a Community trade mark registered.