## Chapter 5: Interplay between Community trade mark and trademark systems of EU Member States

## A. Introduction

Trade mark directive (henceforth, TD)<sup>659</sup> and Community Trade Mark Regulation (henceforth, CTMR)<sup>660</sup> describe the interplay between CTM and trademark systems of the EU Member States. The TD aims to harmonise trademark laws of the EU countries. It requires all Member States to align their laws with its provisions so that fundamental principles governing registrability of signs as national trademarks in the Member States do not differ from those contained in the CTMR.<sup>661</sup> For its part, the CTMR introduces a regional trademark regime with the unitary rights valid throughout the European Union.<sup>662</sup> The CTMR does not replace, but supplements, the national trademark systems of the Member States.<sup>663</sup> Under certain circumstances, rights established under the national systems may prevail over those established under the CTMR to make sure that the system established under it remains unitary while in certain instances resorting to the rules established under the national laws, such as those relating to enforcement of CTM rights.<sup>665</sup>

- 659 Directive No 2008/95/EC of the European Parliament and of the Council of 22 October 2008 (codified version), which repeals the First Council Directive No. 89/104/EEC of 21 December 1988 to approximate the Laws of the Member States Relating to Trademarks.
- 660 Council Regulation (EC) No 207/2009 of 26 February 2009 on the Community trade mark (codified version), which repeals Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark.
- 661 See, for example, Article 2 of the TD requiring a registrable sign to be capable of being represented graphically. The same requirement is enshrined under Article 4 of the CTMR.
- 662 Cf. EDENBOROUGH, M., "The Free Movement of Trade Marked Goods in the European Community", in: POULTER, A., BROWNLOW, P., & GYNGELL, J. (eds.), "The Community Trade Mark: Regulations, Practice and Procedures" (2nd ed., Release #4) XII.7 (INTA, New York 2005).
- 663 The CTMR is independent of the TD. Its entire body of rules binds on all the EU Member States.
- 664 An instance of this scenario would be where earlier national trademark rights are relied upon to cancel a registered CTM, or where the CTM is relied upon to revoke a national trademark which was registered after the CTM's registration was secured.
- 665 Cf. Article 14 of the CTMR.

This chapter reviews some essential aspects of the CTM system, namely, seniority right, trademark conversion, and co-existence of CTM and national trademark rights. A space is also allocated in this chapter for a brief discourse on the impact that enlargement of the European Union has on the CTM system. The chapter further addresses the CTM enforcement regime. In this regard, the chapter covers institutions responsible for CTM enforcement and their powers, the law applicable to actual or threatened infringements, and the question of how judgments on CTM matters are recognised and enforced.

## B. Essential aspects of Community trade mark system

The term "essential aspects of CTM", as used in this chapter, encompasses (i) the principle of co-existence of trademark rights protected under the national law and those protected under the CTMR; (ii) the principle of seniority of trademark rights; and (iii) the principle of trademark conversion.

## I. Co-existence of trade marks

The question of co-existence of trademarks in the EU is the centrepiece of the system established under the CTMR. It had already been envisaged in the early phases of the adoption of the CTMR that since some enterprises would not find any economic motives to get their trademarks protected throughout the Community, national trademark systems should be left to co-exist with the CTM.<sup>666</sup> The CTMR stipulates a need to maintain a legal space within the national trademark systems in order to accommodate interests of persons who would just like to have a national legal security of their marks. It further sets out some mechanism to promote interests of proprietors who would like to extend their trade activities to the scale of the Community.<sup>667</sup>

The principle of co-existence affords to beneficiaries of the trademark systems in the EU an opportunity to choose from different trademark regimes under

<sup>666</sup> *Cf.* Article 6 of the pre-draft of the Regulation Relating to the Community Trade Mark of April 1977 (Document No. III/ex X1/C/268/77-E). The Article stipulated that: "This regulation shall be without prejudice to the right of Member States to maintain their national laws relating to trade marks". See also recital 6 of the CTMR, which insists on the need of co-existence of national and Community trademark rights.

<sup>667</sup> SANDRI, S., "Community Trade Marks and Domestic Laws", in: FRANZOSI, M. (ed.) (1997), "European Community Trade Mark" 415 (Kluwer Law International, Boston 1997).