

## I. Introduction

The Community system of design protection,<sup>1</sup> proved to be appealing for the Internal Market participants.<sup>2</sup> Its power of attraction owes largely to the fact that it grants a fast and cheap protection for a relatively long period of time. Fast, because the registered Community design does not undergo a substantive examination upon registration<sup>3</sup> and the unregistered Community design does not require registration at all.<sup>4</sup> Cheap, because due to the lack of examination and the online instruments available in the OHIM the fees covered by the applicant for a registered Community design are minimal.<sup>5</sup> The long-lasting protection is granted for up to 25 years in the case of the registered Community design<sup>6</sup> and 3 years in case of the unregistered Community design.<sup>7</sup>

However, this simplified acquisition of an exclusive right may lead to a conflict with other rights. The grant of a quick and cheap protection is balanced by the possibility of invalidation of a Community design on various grounds enumerated in Art. 25 CDR. Hence the burden of clearing the register is shifted on the market participants,<sup>8</sup> which include the owners of signs that identify their persons, entities or their products. Those signs can be described as distinctive since their common feature is that they distinguish goods or undertakings. The existence of a design using such a sign might be a threat for the owner of that sign, leading to confusion, dilution, damage to reputation, or gaining an unfair advantage over the owner of the sign who has made an investment in its development and promotion.

The invalidation of a Community design on the basis of its conflict with a prior distinctive sign can be founded on the design's lack of novelty,<sup>9</sup> lack of individual character<sup>10</sup> or on it falling into the scope of protection of that sign.<sup>11</sup> Since

1 Created by the CDR and the DD.

2 To date over 460.000 registered Community designs and an unestimated number of unregistered Community designs, as reported on the OHIM webpage, <http://oami.europa.eu/ows/rw/pages/RCD/index.en.do> (last visited June 5, 2012).

3 Art. 45 CDR.

4 The making available being sufficient for grant of an exclusive right, Art. 11 CDR.

5 See: <http://oami.europa.eu/ows/rw/pages/RCD/index.en.do> (last visited June 5, 2012).

6 Art. 12 CDR.

7 Art. 11(1) CDR.

8 Art. 52(1) CDR.

9 Art. 25(1)(b), Art. 5 CDR.

10 Art. 25(1)(b), Art. 6 CDR.

11 Art. 25(1)(e) CDR.

Art. 25(1)(e) CDR refers to the protection for signs granted by both Community and national laws, the owner of such a prior sign may avail himself of various legal provisions from any of the countries of the EU in pursuing the invalidation of the design. This ground for invalidation, even though potentially powerful, still seems to be a less attractive alternative than Art. 25(1)(b) CDR, partially due to a considerable level of legal uncertainty connected to its application. This thesis tries to analyse the scope of Art. 25(1)(e) CDR and to address some of the controversial issues connected to its application.

Due to the constraints of this paper, it is not possible to refer to the legal regimes of all EU Member States, i.e. those that due to the geographical scope of a Community design may provide for legal grounds for its invalidation. Therefore the analysis will be limited to the harmonized rules governing trade mark laws of all the Member States.<sup>12</sup> With regard to other distinctive signs, reference will be made to German law, Germany being the largest economy<sup>13</sup> within the Internal Market.

The first part of the thesis delineates the background by defining the notion of a distinctive sign and that of the Community design and by identifying the area of conflict between them. Subsequently the scopes of protection of the relevant distinctive signs and their limits are described in the context of design invalidation. An attempt to analyze the implications of the construction of the CDR provisions in practice follows, highlighting the challenges for the owners of prior rights in enforcing them on the basis of Art 25(1)(e) CDR. Finally, a summary of the research is presented.

12 Additionally, the constraints of this thesis do not allow for a detailed discussion of all aspects of the trade mark infringement, hence the stress of the analysis will be put on the issues specific for the conflict with a design and common for all EU Member States.

13 according to the International Monetary Fund, World Economic Outlook Database, Apr. 2011, Report for Selected countries and subjects, available at: [http://www.imf.org/external/pubs/ft/weo/2011/01/weodata/weorept.aspx?sy=2007&ey=2010&scsm=1&ssd=1&sort=country&ds=.&br=1&c=941%2C946%2C137%2C122%2C181%2C124%2C918%2C138%2C964%2C182%2C968%2C423%2C935%2C128%2C936%2C939%2C961%2C172%2C184%2C132%2C134%2C174%2C144%2C944%2C178%2C136%2C112&s=NGDP\\_RPCH%2CNGDPD%2CPPPPC&grp=0&a=&pr1.x=15&pr1.y=15](http://www.imf.org/external/pubs/ft/weo/2011/01/weodata/weorept.aspx?sy=2007&ey=2010&scsm=1&ssd=1&sort=country&ds=.&br=1&c=941%2C946%2C137%2C122%2C181%2C124%2C918%2C138%2C964%2C182%2C968%2C423%2C935%2C128%2C936%2C939%2C961%2C172%2C184%2C132%2C134%2C174%2C144%2C944%2C178%2C136%2C112&s=NGDP_RPCH%2CNGDPD%2CPPPPC&grp=0&a=&pr1.x=15&pr1.y=15) (last visited June 5, 2012).