

## II. Seniority

The principle of seniority facilitates the “merger of Community trade marks and identical earlier national registrations of the same mark for the same owner and for the same goods and services”.<sup>670</sup> Seniority is neither defined in the TD nor in the CTMR. While the CTMR makes reference to the right of seniority, the term is not mentioned in the TD. This omission is not accidental. The tenet of seniority is propounded under the CTMR<sup>671</sup> to improve the CTM system in contrast to the national trademark systems. The principle of seniority motivates owners of earlier national trademarks to apply for registration of their mark as CTMs. The purpose of seniority right is “to make the Community trade mark an attractive option for persons who have already registered a particular trade mark in a number of Member States” and thus allowing the persons concerned an opportunity to take advantages of the CTM system stemming from financial savings and administrative convenience, which they would not otherwise enjoy “if they had to maintain their national registrations in addition to a Community trade mark”.<sup>672</sup> The principle, therefore, acts as a magnet that attracts proprietors of earlier national trademark to consolidate their national rights into a CTM without relinquishing the said national rights.

The legislative intent behind incorporation of seniority right in the CTMR is to enable owners of existing national trademarks to be the first to apply for registration of a corresponding CTM,<sup>673</sup> since trademark proprietors “might be reluctant to abandon their national registrations unless they could be certain of retaining whatever rights they enjoyed as a result of those national registrations”.<sup>674</sup> Some fundamental issues in relation to the principle of seniority, such as the requirements for seniority, examination of seniority claim, and the merits and demerits of claiming a seniority right, are discussed below.

670 Cf. Communication No 2/00 of the President of the Office of 25 February 2000 concerning seniority examination, available at <<http://oami.europa.eu/en/office/aspects/communications/02-00.htm>> (status: 30 July 2012).

671 Cf. Articles 34 and 35 of the CTMR.

672 Cf. OHIM, Decision of the First BoA of 15 May 1998, Case R 5/97-1 (VICEROY), at [29].

673 Cf. FRANZOSI, M. (ed.), “European Community Trade Mark” 427 (Kluwer Law International, Boston 1997).

674 Cf. OHIM, Decision of the First BoA of 15 May 1998, Case R 5/97-1 (VICEROY), at [29].

## 1. Requirements for seniority

In order to enjoy the seniority right, the owner of an earlier trademark must claim it. Such a claim must indicate (1) the status of earlier national trademark (i.e. the basis for a seniority right) and, (2) a proof that the earlier national trade fulfils the requirements of “triple identity rule”.

### a) Status of the earlier national trademark

In order to form a basis for seniority claim, a trademark concerned must be a national trademark, which is earlier than the CTM claiming such seniority. This implies that the earlier national trademark must have a filing date and priority date (where it is claimed) which is earlier than the filing date of the application for the CTM or the priority date which the CTM claims.<sup>675</sup> Whereas under the national laws of some EU Member States, such as Germany, unregistered trademark rights are recognised,<sup>676</sup> such rights cannot confer on the proprietor a seniority right however senior and prior the unregistered trademarks may be. Only earlier and registered national trademark rights may be used as a base to claim a seniority right.

### b) Triple identity rule

Three basic requirements, which Classical scholars categorically refer to as a “triple-identity rule”,<sup>677</sup> must be fulfilled in order to establish an entitlement to the right of seniority. Elements of the rule are analysed below.

675 MÜHLEND AHL, A., “Seniority” (ECTA’s special newsletter no. 30 of May 1996) 19 (European Communities Trade Mark Association (ECTA) Secretariat, The Hague 1996).

676 Cf. Section 4(2) of the German Law on Trade Marks and other Distinctive Signs of 1994, as amended severally.

677 Cf. MÜHLEND AHL, A., “Seniority” (ECTA’s special newsletter no. 30 of May 1996) 17 (European Communities Trade Mark Association (ECTA) Secretariat, The Hague 1996); BOMHARD, V. von & PETERSENN, M., “Seniority under European Community Trademark Law”, 92(6) TMR 1327, 1328 (2002); ANNAND, R. & NORMAN, H., “Blackstone’s Guide to the Community Trade Mark” 103 (Blackstone Press, London 1998).

## aa) Identity of the marks

Seniority right may only be validly claimed where the national trademark and the CTM are same. In contrast, where the CTM is just similar to the earlier national trademark, seniority claim will fail since, similarity is different from identity.

## bb) Same owner

The second limb of the triple-identity rule reiterates the requirement of identity between the owner of the earlier national trademark and the owner of the CTM. In other words, the seniority claim may hold water only if the two marks are subject to a single ownership.

## cc) Identical goods and/or services

The third appendage of the “triple-identity” rule dictates that, goods and services covered by the earlier national trademark must be identical with those covered by the CTM registration or by the CTM application. The enumeration of goods and services in the national trademark register is regarded as a maximum list in respect of which the earlier national trademark is registered and protected. Thus, a CTM or an application for a CTM registration protected or seeking protection only in respect of some of the goods and services covered by the national trademark may be considered to have met the requirement of identity of goods and services for seniority purposes. However, such a requirement is not met where a CTM or an application for a CTM exceeds the list of goods and services covered by the earlier national trademark. In the event the CTM or an application for a CTM exceeds the list of goods and services covered by the earlier national trademark, such goods or services in excess cannot be covered by the seniority right.<sup>678</sup> To put it simply, “where the specifications differ, seniority can be claimed only with respect to the overlapping goods and services covered by the CTM and the national mark”.<sup>679</sup> Hence, a trademark proprietor is allowed to claim partial seniority.

678 MÜHLEND AHL, A., “Seniority” (ECTA’s special newsletter no. 30 of May 1996) 29 (European Communities Trade Mark Association (ECTA) Secretariat, The Hague 1996).

679 BOMHARD, V. von & PETERSENN, M., “Seniority under European Community Trademark Law”, 92(6) TMR 1327, 1330 (2002).

Partial seniority claims are allowed in recognition of some difficulties, which trademark applicants or their representatives face while attempting to offer a precise delineation of the identical goods and services, in view of the fact that it might appear that the language of the earlier national registration differs from that of the CTM application. Consequently, OHIM is prepared to accept general or unspecified claims like “seniority is claimed for all the goods which are found in the earlier mark to the extent that they are also found in the application”.<sup>680</sup>

## 2. Examination of seniority claim

Seniority claim may be lodged together with the application for CTM registration. OHIM is expected to act promptly, not only to examine the CTM registrability requirements, but also to examine whether the requirements for seniority claim have been met. However, in the light of a big number of seniority claims presented before the Office each year,<sup>681</sup> OHIM has previously endorsed a policy allowing a CTM registration before examining the seniority claim.<sup>682</sup> OHIM will, nevertheless, need some sound reasons before it decides to defer the examination of seniority claim to the time after the publication of a CTM application or registration (whichever is the case). It is, for instance, accepted

680 Cf. Communication No 1/97 of the President of the Office of 17 June 1997 concerning examination of seniority claims (paragraph 2, point III), available at <<http://oami.europa.eu/en/office/aspects/communications/01-97.htm>> (status: 30 July 2012).

681 The 1996 OHIM’s statistical data show that 25 per cent of all CTM applications during that year claimed one or more seniorities (cf. Communication No 6/98 of the President of the Office of 14 November 1998 concerning examination of seniority claim (para. 1, point I), available at <<http://oami.europa.eu/en/office/aspects/communications/06-98.htm>> (status: 30 July 2012)). However, as an indication that proprietors of earlier national trademarks have been striving to merge their national marks with the CTM registrations by claiming seniority rights since the inception of the CTM system, the number of seniority claims dropped to 20 per cent of all applications in 2000 (cf. Communication No 2/00 of the President of the Office of 25 February 2000 (para. 1, point I), available at <<http://oami.europa.eu/en/office/aspects/communications/02-00.htm>> (status: 30 July 2012)).

682 Due to a large number of applications received in 1997, for instance, OHIM suspended the examination of seniority claim under Article 34 in order to concentrate all human resources on the processing of CTM applications from the application to the registration stages. Such a decision did not affect seniority examination under Article 35 of the CTMR, (see Communication No 6/98 of the President of the Office cited above). However, having reduced the CTM processing workload, OHIM resumed examination of seniority under Article 34 in 2000 (see Communication No 2/00 of the President of the Office, cited above).

that a full-scale examination of seniority claims under the ‘triple-identity rule’ presents some difficulties, complexities and consumes a lot of time, hence the delay in processing applications for CTM. In these circumstances, deferral of the examination of seniority is not fatal as the “rights arising from seniority claims under Article 34 of the CTMR exist only after registration of the CTM and the surrender or lapse of the registration which is the subject of the seniority claim”.<sup>683</sup> Thus, under certain circumstances, suspension of seniority examination may not be adverse to, but pro, the proprietors’ interests of securing exclusive rights in the CTM which would otherwise be delayed by the examination of seniority.<sup>684</sup>

In practice, and as far as seniority examination in respect of the “triple-identity rule” (same goods, same proprietors and same trademarks) is concerned, OHIM examines one element only, namely, identity of trademarks. This practice takes into account the fact that changes affecting identity of goods and identity of proprietors, regarding both the earlier national trademark and the CTM registration, may occur between the time of tendering the seniority claim to the Office and the time when the proprietor may not renew the national registration in order to let it lapse.<sup>685</sup> However, it does not mean that the other two elements, namely, identity of ownership and identity of goods and services, are less important. These elements must be specified in the seniority claim as well. Any obvious omission will render the seniority claim unsuccessful.

### 3. Merits and demerits of seniority right

#### a) Merits

Seniority right is accompanied by some appreciable advantages. The proprietor will enjoy double protection – first, in the country where earlier trademark rights existed, and second, at the Community level based on the CTM that assumed seniority right. Consolidation of earlier national trademark into a CTM is not a waiver of the national rights. The legal protection of the earlier national trademark remains intact. Such protection is not subjected to renewal requirements under the national law, provided the consolidated CTM is renewed as per

683 Communication No 2/00 of the President of the Office, cited above.

684 According to Article 9(3) of the CTMR, proprietary interests in a CTM can only be asserted against third parties after publication of a relevant CTM.

685 For further justifications regarding the practice, see Communication No 2/00 of the President of the Office, cited above.

the CTMR requirements.<sup>686</sup> Thus, claiming a seniority right minimises renewal and other administrative costs, since the trademark proprietor needs only to maintain the CTM.<sup>687</sup> The principle of seniority right may, therefore, be seen as a contract between OHIM and the proprietors of earlier national rights seeking protection of these rights as CTMs. Under the terms of such a contract, the proprietor of a national trademark enjoys the right to seniority only if he forbears to renew the earlier national trademark, or if he allows it to lapse. As a consideration for such forbearance or abandonment, the national trademark will be deemed under the CTMR to remain validly registered under the national law of the Member State concerned.<sup>688</sup>

## b) Demerits

Under certain circumstances, seniority right may be compromised. This is particularly a case inscribed under Article 34(3) of the CTMR. According to the Article, “[the] seniority claimed for the Community trade mark shall lapse if the earlier trade mark the seniority of which is claimed is declared to have been revoked or to be invalid or if it is surrendered prior to the registration of the Community trademark”. Pursuant to the forgoing provision, the fate of the seniority right claimed before a CTM registration is dependent on the continued validity of the earlier national trademark, which serves as the foundation for such seniority. Any successful legal action (such as invalidity and revocation proceedings) challenging the validity of the earlier national trademark undertaken before the seniority claim has been accepted by OHIM, will result into the loss of the seniority right. While the proprietor has a right to surrender or to decide not to renew the earlier national trademark right even before the CTM is registered, in the event he does so before the seniority claim is accepted he will lose the seniority claim.<sup>689</sup>

The CTMR does not guarantee that a CTM consolidating the earlier national trademark cannot be challenged. Registration of a CTM can be challenged based on earlier trademark rights. Even where these earlier rights are not earlier than the national trademark on whose basis the seniority right was claimed, the

686 Cf. Article 47 of the CTMR.

687 Cf. AIDE, C.M. & DITTMER, S., “Registration and Enforcement of European Community Trade Marks: A Practical Guide”, 14 I.P.J. 283, 292 (1999-00).

688 Cf. Article 34(2) of the CTMR.

689 Cf. DURAN, L. & ANNAND, R.E., “Seniority”, in: POULTER, A., BROWNLOW, P. & GYNGELL, J. (eds.), “the Community Trade Mark: Regulations, Practice and Procedure” (2nd ed., Release #4) VI.38 (INTA, New York 2005).

validity of the CTM concerned can still be questioned. Imagine a scenario in which two national trademarks (i.e. NTM1 and NTM2), which were registered in different Member States in 1970 and 1993 respectively, are in issue. Suppose further that in 1994 the proprietor of NTM1 successfully registered a CTM and claimed the seniority right of his 1970 national trademark. Under this scenario, the proprietor of NTM2 may challenge the validity of a CTM even if NTM2 is very junior to NMT1. NTM2 can, thus, be based upon as a relative ground for a CTM refusal.<sup>690</sup> This is the result of the territoriality principle of trade mark rights, which holds a particular national trade mark as valid only in the country where such mark is registered.

In view of the above conclusion, it is clear that seniority right is not entirely a safety valve, since various national trademarks unknown to the proprietor of NTM1 may be based upon to challenge his CTM. In the circumstances where the CTM is challenged as above, the principle of trademark conversion enables the proprietor to transform his CTM registration into national registrations.

### III. Trade mark conversion

A CTM proprietor has a right to convert his CTM registration or application into national trademark applications in the Member States where similar trademarks do not exist. The right and the procedure leading to conversion are regulated under Articles 112 to 114 and 159 to 161 of the CTMR as well as Rules 44 to 47 and 122 to 124 of the CTMIR. It is important to note that:

The national trade mark application resulting from the conversion of a Community trade mark application or a Community trade mark shall enjoy in respect of the Member State concerned the date of filing or the date of priority of that application or trade mark and, where appropriate, the seniority of a trade mark of that State claimed under Articles 34 or 35.<sup>691</sup>

#### 1. Grounds for conversion

##### a) Withdrawal of a Community trade mark application

An applicant for a CTM registration has a right, pursuant to Article 43(1) of the CTMR, to withdraw his application. This may happen, for instance, where a

690 Cf. in this respect Article 8 of the CTMR.

691 Cf. Article 112(3) of the CTMR.