Using (and Not Using) the Hearsay Rules to Admit and Exclude Surveys in Lanham Act False Advertising and Trademark Cases

Richard J. Leighton

“Seniority” Under European Community Trademark Law

Verena v. Bomhard and Morten Petersenn

Proving Dilution by Blurring: An Analysis of Dilution by Blurring Factors Under the Federal Trademark Dilution Act

Christopher T. Micheletti and Dan Zoloth Dorfman

Handling of Counterfeit Goods:
A Hands-On Problem for the Italian Criminal System

Pier Luigi Roncaglia

Avoiding Hague Convention Headaches—An Analysis of Lanham Act Section 1(e) Service of Process on Foreign Nationals

Keith M. Stolte

INTA Issue Brief—The Madrid Protocol:
Impact of U.S. Adherence on Trademark Law and Practice

A Critique of Rappeport’s “Litigation Surveys—Social ‘Science’ as Evidence”

Jacob Jacoby, Ph.D.

A Rejoinder to a Critique

Michael Rappeport
"SENIORITY" UNDER EUROPEAN COMMUNITY TRADEMARK LAW

By Verena v. Bomhard* and Morten Petersenn**

I. INTRODUCTION

More than six years have passed since the coming into existence of the Community trademark (CTM) on 1 April 1996, and with it, the concept of "seniority." At the outset, this entirely unprecedented and somewhat complicated feature of CTM law attracted great interest, as it offers the possibility to merge national trademark rights into one, i.e., to concentrate European trademark portfolios in a single registration, which, in the long run, allows considerable savings in renewal fees and administrative effort. In the beginning, when many CTMs were actually re-filings of marks that already enjoyed protection throughout the Community or at least in one or another country, over 20 percent of the applications contained one or more seniority claims. The record is 236 seniority claims in one application. These numbers have now plateaued and the average number of CTM applications filed with one or more seniority claims is now 12 percent, according to indications by the Office for Harmonization in the Internal Market (OHIM) in Alicante, which functions as the European trademark office.

This, however, does not mean that the concept of seniority has become less important or that interest has waned. To the contrary, the first CTMs will soon have been registered for five years. This means that the minimum time of five years for acquiescence in the registration and use of a CTM has now elapsed and many third party rights that have to date not been invoked can no longer be used against the CTM, always provided, of course, that all the requirements are fulfilled and, in particular, it can be proven that the owner of an earlier right knew about the CTM.1 Although CTMs do not become “invulnerable” after five years of registration, it does become increasingly difficult to challenge these registrations based on earlier rights, especially where the CTM has been “visible” in its particular market field.

* Dr. iur, partner in Lovells, Alicante, Spain, Associate Member of the International Trademark Association.

** Dr. iur, attorney-at-law in Lovells, Alicante, Spain, Associate Member of the International Trademark Association.

1. See Article 53 CTMR (para. 1 for earlier Community trademarks, para. 2 for earlier national marks).
It is against this background that CTM owners are becoming more and more confident about their trademark protection under the CTM and are starting to wonder whether they really need to maintain and renew their national registrations, rather than—as they had envisaged when filing the CTM application—relying on their seniority claims.

This Article aims at explaining once again what seniority means, what its effects and requirements are, and then tries to give a practical answer to the question put at the outset: just how safe is it to rely on the seniority claims and to surrender national registrations or allow these to lapse?

II. THE EFFECTS OF SENIORITY

Seniority has been defined as a “merger” between the CTM and identical earlier national registrations for the identical mark owned by the same owner. The effects of seniority are laid down in Article 34(2) of the Community Trademark Regulation (CTMR), which reads,

Seniority shall have the sole effect under this Regulation that, where the proprietor of the Community trademark surrenders the earlier trademark or allows it to lapse, he shall be deemed to continue to have the same rights as he would have if the earlier trademark had continued to be registered.

This means that the seniority claim will have effect only if and when the owner of the CTM surrenders or fails to renew the national mark, and the sole effect of the seniority claim is as though the national mark remained validly registered (leaving aside the further consequences in the event of conversion of the CTM). There is indeed nothing more to seniority than this.

There has been some confusion in the past about the difference between seniority and priority. In particular, applicants for CTMs faced with oppositions based on national registrations have frequently argued that an opposition had to be rejected because they had a seniority claim based on a national registration in the same country that allegedly proved they had superior rights in that country. This argument, however, is unavailing as it attaches pseudo priority effects to seniority claims that they do not have.

2. See Communication No. 2/00 of the President of the OHIM of 25 February 2000, OJ OHIM 5/00, p. 484.

3. See Article 108(2) CTMR and infra Part V.

Taking into account the effects of seniority outlined above, it is clear that priority under Article 4 of the Paris Convention (and Articles 29 to 33 CTMR) on the one hand, and seniority on the other, have nothing in common.

A trademark application that claims Convention priority has the effect that the entire application enjoys the earlier priority, i.e., as if the application had in fact been filed at the earlier date. Priority therefore is an integral part of the resulting trademark registration. Seniority, on the contrary, has nothing to do with the priority or filing date of the CTM. The priority or filing date of the CTM application remains the same, whether or not seniorities are claimed. Nor does seniority give the CTM priority in any particular member state. Such a concept of a “split priority” of the CTM would in any event also be contrary to the CTM being a unitary right for the whole Community. All seniority does is maintain the rights conferred by a national registration, under the roof of the CTM, even though the national registration lapses or is surrendered. This means further that seniority has no legal effects whatsoever while the national mark is still registered, i.e., where the national and the Community trademarks coexist.

III. REQUIREMENTS FOR A VALID SENIORITY CLAIM

When considering the effects of the seniority claim, it becomes easier to understand that the requirements for such a claim are also different from those for a priority claim. In particular, the so-called “triple identity rule” must be observed, and the earlier mark must be validly registered. Apart from this, the formal requirements must be complied with, as discussed further below.

A. Triple Identity

Triple identity means that in order to claim seniority of an earlier national registration, the CTM and the national registration must concern the same mark, belong to the same owner and cover the same goods or services. This basic triple identity rule deserves closer consideration.

“Same mark” means “identical.” After all, the national registration is supposed to be “kept alive” by means of the CTM registration. This is only possible where the marks are indeed the same. The standard to be applied should be the same as when considering whether an earlier mark invoked in opposition

5. See Article 1(2) CTMR.
6. This term has been invented by Alexander von Mühlendahl, Vice President of OHIM, see v. Mühlendahl, Seniority, in: ECTA, special Newsletter No. 30 of May 1996, p. 17, to facilitate interpretation of Article 34(1) CTMR.
proceedings is “identical” or just “similar.” This means that, for example, a figurative mark and a word mark cannot be identical. Even where the figurative (device) mark consists only of the word, but in a particular script or color, the mark will not be deemed identical to a word mark. Similarly, where the CTM is an abstract color mark, it will not be deemed identical to a prior device mark, even though the prior device mark consists of a colored square, and the graphic representation of the abstract color mark looks exactly the same. In other words, marks that belong to different trademark categories can never be identical. However, where both marks are word marks consisting of identical words but represented in different (standard) type face, they will be deemed the same mark. It is crucial that this standard is applied consistently as only then “will it be possible to expect national authorities [...] to feel bound by a decision of the OHIM” when judging whether the seniority claim is valid with respect to the marks being identical. In this respect, the much criticized decision of the Second Board of Appeal of 15 July 1998 holding that THINKPAD and THINKPAD are identical marks is probably not the right direction as it does not follow the principle that is recognized by the OHIM and other authorities.

The goods and services covered by the national registration and the CTM also have to be the same. This does not mean, however, that the specifications must be identical. It rather means that seniority can be claimed only for such goods or services that are also covered by the CTM. 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. Accordingly, where the specification of the CTM is broader than that of the national mark, the latter is fully comprised by the CTM and can therefore perfectly “live on” under its roof. Where the specification of the CTM is narrower than that of the national mark, the seniority claim will only be partial, i.e., only relate to those goods and services of the national registration that are also covered by the CTM. There is no doubt that partial seniority claims are admissible and these are, in fact, quite

7. This difference is important for determining whether Article 8(1)(a) CTMR can apply, according to which an opposition based on an identical mark for identical goods has to be granted without the opponent showing likelihood of confusion, or whether likelihood of confusion must be shown under Article 8(1)(b) CTMR.

8. Communication of the President of the OHIM No. 2/00 of 25 February 2000, OJ OHIM 5/00, p. 484.

9. For criticism of the THINKPAD decision see Gevers, The continuing story of the examination of seniority claims by the OHIM in Alicante, in EIPR, volume 21, 1999, 228. See also Decision of the Second Board of Appeal of 14 February 2000-RANIER.

10. Rule 28(1) Implementing Regulation makes it clear that partial seniority claims are admissible; see also v. Mühlendahl, Seniority, supra n.6, p. 32.
frequent. Finally, where both the Community and the national trademark relate to goods or services that are not covered by the other, seniority will be partial and be applicable only to the overlap between the specifications. The difficulty arises where it is questionable whether goods of the national registrations are covered by the CTM and to what extent. For example, it is a common practice in CTM filings to indicate all class headings. To date, the general understanding has been that this means that the application covers all goods or services theoretically covered by the class in question. If this proves to be true, any national mark in the same class will necessarily be covered by the CTM, independent of the precise wording of the specification of the national registration in the particular class. Where the goods or services covered by the national mark do not appear to be subsumed by any of the terms of the specification of the CTM, the owner of the national mark must decide whether these goods or services of the earlier mark are important enough to warrant maintaining the national registration.

Finally, the owner of the national and the CTM registrations, or in the event of a CTM application, the CTM applicant and the owner of the national registration, have to be the same. In this respect, the OHIM again applies strict standards. In the case of legal persons, it must be the same legal identity; a relationship between two companies, such as belonging to the same group of companies or one being a fully-owned subsidiary of the other, is insufficient. This does not mean, however, that the registered owner necessarily has to be the same as the entity claiming the seniority. It is rather the actual legal situation that counts. As is shown by the existence and wording of Articles 8(3), 11 and 18 CTMR, the CTM Regulation does not use the word “proprietor” to refer only to the registered proprietor. If, in accordance with the applicable national law, a national registration can be—for property purposes—validly transferred to another party without this transfer being registered with the corresponding national trademark office, the seniority claim will be valid where the legal owners are the same. In addition, where a legal person is authorized to use several different indications to refer to its legal nature, such as “Ltd.” and “AG” for Swiss corporations or

12. Recently, some doubt has been raised by the Opposition Division’s contrary opinion and it is hoped that the President will release a Communication clarifying this issue, while the Examination Division continues to encourage applicants to adhere to the Nice wording.
14. See Decision of the First Board of Appeal of 15 May 1998—VICEROY; for a different view see v. Mühlendahl, Seniority, supra n.6, p. 23.
“Kabushiki Kaisha” and “Corporation” for Japanese companies, the legal identity is still preserved.\textsuperscript{15}

\textbf{B. Registration of the National Mark}

Besides the “triple identity” requirement, another important requirement is that the national mark, based on which seniority is claimed, must be \textit{registered}, as Articles 34 and 35 CTMR speak of a “national registration.” The only question in this respect is the point in time at which a national application must have matured to registration in order to base a seniority claim on it.

A seniority claim can be made when the CTM application is first filed, or after the CTM is registered.\textsuperscript{16} A claim that is made within two months from filing the CTM application will be taken as having been filed with the application. The seniority claim cannot be made during the examination phase of the CTM. In our opinion, the national mark must be registered at the time the seniority claim is made under the law, i.e., either at the filing date of the CTM application, or at the time at which, after the registration of the CTM, the seniority claim is submitted to OHIM.

However, the law is not altogether clear on the issue of when a seniority claim can be made. A seniority claim made when the CTM application is filed should be granted if the national mark is registered, e.g., at the time the seniority claim is examined or accepted or, finally, at the time the CTM is registered. Although there was some discussion of this issue in the early days of the CTM, it is of little practical relevance. First, there are not many national marks that, although applied for before the CTM (after all, the national registration must be an “earlier mark”), are registered long after the CTM application is filed. Moreover, if the national mark is not registered at the time of the CTM application, its seniority, as mentioned, can simply be requested at any time after registration of the CTM, when all the requirements are fulfilled. In any event, this question is closely linked with the formalities for filing and obtaining a valid seniority claim, as discussed below.

\textbf{C. Filing the Seniority Claim}

In order to obtain a valid seniority claim, the requirements set out above must be fulfilled, the owner must file the claim with the OHIM at the right point in time and provide the necessary documents to support the claim.

As mentioned, a seniority claim can either be made part of the CTM application under Article 34 CTMR (which is by far the more
frequent procedure), or it can be claimed at any time after registration of the CTM under Article 35 CTMR. If the first option is chosen, the claim can be raised either in the CTM application, or two months thereafter in a separate application requesting the inclusion of one or several seniority claims.\textsuperscript{17} If the applicant fails to claim seniority within this two-month period of time (which is identical to that for submitting priority claims), he must wait until the CTM is registered. This rule was intended to rid the application procedure of belated claims that could lead to a delay of the whole application procedure.

The Implementing Regulation\textsuperscript{18} sets out the necessary content of a seniority claim. The applicant must indicate the country of registration, the registration number, the filing date or, where applicable, the priority date of the earlier national registration and, in theory, the goods and services for which seniority is claimed. This latter requirement could make the filing of seniority claims rather complicated in the case of partial seniority claims, as it would require a full translation and listing of the goods and services contained in the national registration that are also comprised by the CTM. The OHIM, however, permits the filing of general claims, indicating that seniority is claimed for all those goods and services covered both by the earlier national registration and the CTM application or registration.\textsuperscript{19}

\textbf{D. Necessary Documents}

Under the Implementing Regulation the required documents, in principle, consist of a copy of the relevant national registration, which must be certified by the competent authority (Rule 8(1)). The President of the OHIM has the authority under Rule 8(4) IR to permit other and lesser evidence to be provided.\textsuperscript{20} For example, the OHIM allows uncertified photocopies of any documents issued by the competent authority showing the necessary details of the earlier registration (i.e., status, owner, mark and goods/services), if they are accompanied by a statement affirming the accuracy of the information contained therein and, in case the documents are more than six months old, that they correctly reflect the current status of the registration. This has greatly helped the claimants as it has made seniority claims much less expensive and much easier to

\begin{itemize}
  \item \textsuperscript{17} See Rule 8(2) Implementing Regulation.
  \item \textsuperscript{18} See Rules 1(1)(h) and 8(2), and in the case of a post-CTM registration claim, Rule 28(1).
  \item \textsuperscript{19} See Communication No. 1/97 of the President of the OHIM of 17 June 1997, OJ OHIM 9/97, p. 750.
  \item \textsuperscript{20} See Decision No. EX-96-3 of 5 March 1996, OJ OHIM No. 4/96, p. 395; see also Communication No. 3 of 1996 of the President of the OHIM of 22 March 1996, OJ OHIM 5/96, p. 594 and Communication No. 2 of 2000 of the President of the OHIM of 25 February 2000, OJ OHIM 5/00, p. 484.
\end{itemize}
substantiate, in particular where the competent authorities of the member states allow web access to their Registers (e.g., United Kingdom, Spain and Germany). If earlier registrations exist in any of these countries, all the owner needs to do when instructing his CTM attorney to claim seniority is to inform the attorney of the existence of these registrations, while the details, namely, the gathering of the necessary documents, can be left to the attorney.

E. Examination and Publication of the Seniority Claim

The examination practice at OHIM concerning seniority claims has undergone some changes over the years. While, at the outset, OHIM was determined to examine in depth whether all the requirements were fulfilled and properly proved by the evidence submitted, it soon became overwhelmed by the sheer quantity of such claims filed, even more so than the number of CTM applications themselves, which also surpassed the expectations by some 200 percent. Accordingly, in October 1997, the OHIM suspended the examination of seniority claims entirely. This suspension has raised the question whether these seniority claims, even if they had been properly filed, nevertheless lacked validity for not having been explicitly accepted or granted by OHIM, or whether the lack of examination would simply entail a greater burden on the CTM owners, namely, to establish by themselves or with the help of their specialized counsel, the validity of their seniority claim. This question has not been tested before any court and we will not have any definite answer to it soon. We do not believe, however, that the failure of OHIM to examine seniority claims could block the validity of such claims. The CTM Regulation does not speak of “granted” seniority claims but states that the trademark owner “may claim” for the CTM the seniority of the earlier national trademark, and that such seniority shall have the effects described above (Article 34(1) and (2) CTMR). On the other hand, the CTM owner is better advised not to rely on a seniority that has not in fact been granted, as the question is, as mentioned, under discussion.

Suspension of seniority examination was lifted in February 2000, when OHIM took up seniority examination again, albeit only with respect to the identity of the marks, not of the goods and services or of the owners. At first, the suspension was lifted only

21. It should be noted that this only applies to official web pages of the relevant trademark authorities. Private databases (e.g., TRADEMARKSCAN, DEMAS) are not accepted. ROMARIN, in turn, is accepted as the official electronic database for International Registrations.


for the future, i.e., for new applications or post-registration seniority claims. This has now been changed and very recently, OHIM has also taken up examination of the “old” seniority claims that had not been examined before or during the period of the suspension of the examination. Interestingly, however, such seniority claims that did not meet the requirements (e.g., because the documents had not been submitted) are not rejected, but are treated as if they had been submitted after the registration of the CTM in question, i.e., as a post-registration claim under Article 35 CTMR. Accordingly, CTM owners are given the opportunity to remedy the deficiencies of the seniority claim and thereby obtain its acceptance.

The accepted seniority claim is published in the Community Trademark Bulletin together with a CTM application, or in the section of the registered CTMs, as the case may be. The published information includes the country, the registration number and the registration date. It has been argued that publication of a seniority claim may be an advantage for a CTM applicant, as it could serve as a deterrent to third parties considering an opposition against the CTM application. In practical terms, however, it is quite clear that the national and, where applicable, the European or even worldwide trademark situation must be carefully checked before lodging an opposition, in any event, in order to avoid unpleasant surprises. The published information relating to the national mark is relatively scarce. In particular, the information does not reveal the actual priority or filing date of the national mark, or which goods are covered by the earlier mark cannot be seen from the publication. Accordingly, a third party that has to decide whether to file an opposition will not be able to base this decision on the published information regarding the seniority claim. Conversely, the fact that a CTM applicant has not claimed any seniority does not mean, by any means, that he does not have any prior national registrations. A third party, therefore, would be ill advised to rely on the lack of published seniority claims as evidence or an indication that no earlier rights exist.

IV. SHOULD NATIONAL REGISTRATIONS BE MAINTAINED?

This brings us back to our original and most interesting question, namely, whether national registrations should be

---

24. Article 85(a) CTMR and Rule 12(h) IR.
25. See v. Mühlendahl, Seniority, supra n.6, p. 54.
maintained, or whether, and under which circumstances, they should be allowed to lapse. There is no clear answer to this question. Such a decision must rather be made on a case-by-case basis. In many cases, the decision will be the result of a cost/benefit analysis. There is, however, no reason to be overly skeptical and by default advise owners of CTMs to renew all of their national marks as well as the corresponding CTMs.

A. The Effects of the Seniority Claim on Third Parties’ Rights

Before analyzing the pros and cons of allowing national registrations to lapse, we should reiterate the effects of seniority claims, i.e., how they are enforced against third parties.

As mentioned above, the seniority claim has the sole effect of establishing a fiction: although the CTM owner, who has claimed seniority from a national registration, allows this national registration to lapse (or surrenders it), he is subsequently nevertheless treated as if the national registration were still on the register. This means that, under the CTM, in connection with the seniority claim, he can base claims against third parties on the national registration. This seemingly far-reaching result was envisaged by the creation of seniority, which was meant to relieve trademark owners of the necessity to maintain and administer large portfolios, by allowing them to bundle their national rights in just one registration, namely, the CTM. This goal could be achieved only by inventing a tool that would fully maintain the trademark owners’ rights in each country, without giving him unjustified rights over third parties.

In practice, the CTM owner will need to rely on the earlier filing (or priority) date of the national mark in a case where he is raising a claim against the use of a third party’s mark that came into existence before the filing of the CTM, but after the “seniority” date (i.e., the filing or priority date) of the national mark, from which seniority has been claimed. Similarly, and probably more importantly, the CTM owner will need to rely on seniority to defend his CTM against claims raised by the owner of a national mark (or other sign used in the course of trade, such as a trade name) that came into existence before the CTM but after the CTM owner’s national mark. In both of these cases it is clear that the CTM owner will have to rely on his own earlier national mark. If this mark has been allowed to lapse, he will only be able to do so on the basis of a valid seniority claim that evokes the effects described above in Part II.

In Part II, we have also mentioned that the seniority claim cannot be invoked in a CTM opposition or cancellation action based on a third party’s national right that pre-dates the CTM, although the CTM owner has superior rights in the country in
question. In this context, it is all the same for the CTM owner whether or not he has claimed seniority. Seniority does not make the earlier priority of the national mark an integral part of the CTM; it only allows the CTM owner to continue to act as if he also had the earlier national mark. A reverse national priority situation is not a valid defense against CTM oppositions or cancellations. The CTM owner, wishing to rely on his own superior national priority to defend his (younger) CTM, will rather have to enforce his prior rights before the national courts of the country in question.

In a national action, a seniority claim may come into play, but only if the CTM has been registered (i.e., never in opposition proceedings) and the earlier national mark has been surrendered or allowed to lapse. Otherwise, the national action will simply be based directly on the national mark.

In the alternative case set out above, namely, where the CTM owner wishes to enforce the earlier national mark after it has lapsed, relying on his seniority claim, the question may be raised whether this will have to be done before the designated national CTM courts (which are the sole courts to hear CTM infringement cases, except in preliminary injunction matters), or whether the effects of seniority go so far as to enable the CTM owner to bring the case before the “normal” trademark courts, i.e., any court that would be competent to hear the infringement action based on the national mark. Our interpretation of Article 34(2) CTMR is that the CTM courts would be exclusively competent to hear the matter, as the effects of seniority should be confined to matters of substantive law and do not apply to merely procedural issues such as the competence of courts.

**B. Scope of Protection**

One of the questions to ask when considering whether a national mark should be renewed or allowed to lapse might be whether the choice will have any impact on the scope of trademark protection that the owner enjoys in the country in question. In making such a decision, one consideration may be that some believe the scope of protection of a CTM in any particular jurisdiction may differ from that of an identical national mark. For example, one of the questions is whether a CTM will only be regarded to have a “reputation in the Community” if such reputation exists in more than one member state. In the authors’ opinion, this should not be an issue, as the CTM was devised to

---
27. This discussion is being conducted particularly in the interested circles in Germany; see the report by Knaak on the Symposium “Die Gemeinschafts марке” (“The Community Trademark”) organized by the Max Planck Institute in Berlin, March 14/15, 2001, in: GRUR 2001, p. 665 et seq. (in German language).
replace, or at least potentially replace, national trademarks in appropriate cases. This is clear from the overall aims of the creation of a unitary trademark for the whole of the European Union, as set out in the preamble of the CTM Regulation, and from the ability to convert a CTM into national applications at any time if the CTM loses its effect. This means that the CTM must have (at least) the same legal effect as a national trademark in any particular EU member state.\(^{28}\)

If that is so, the scope of protection is not an issue when deciding whether to maintain or surrender (or allow to lapse) a national registration, which is the basis of a seniority claim. The scope of protection does not change by allowing the national mark to lapse.

As set out above, Article 34(2) CTMR states clearly that the CTM owner who allows the national mark to lapse or surrenders it and who has claimed seniority “shall be deemed to continue to have the same rights as he would have had if the earlier mark had continued to be registered.” This “deemed continued existence” of the national mark is further reflected in Article 4(2)(b) of the Harmonization Directive,\(^ {29} \) which also provides that, in conflicts with younger national marks, “Community trade marks which validly claim seniority [from an earlier national mark]” are considered “earlier rights.” This wording is somewhat confusing in that it implies that the earlier right is based on the CTM, when, in fact, it is the national mark that is deemed to continue to exist. In any event, this leaves no doubt that even if there is a difference between the effect of the CTM and that of the national mark to the detriment of the CTM, which we deny, the surrender or expiry of the national mark with the subsequent coming into effect of the seniority claim would have no impact on the scope of protection of the mark in the country in question.\(^ {30} \)

### C. Validity of the Seniority Claim

The validity of the seniority claim is the most obvious basis for deciding whether or not to surrender the national registration or to allow it to lapse. This depends on whether the requirements set out above have been fulfilled. Given that the examination carried

\(^ {28} \) To the knowledge of the authors, little has been written to date on the effects of the CTM, and we are not aware of any specific Articles on this issue that have been published in English (see, however, Knaak in GRUR [German legal magazine] 2001, p. 665 et seq.). On the effects of the CTM see further Morcom et al, The Modern Law of Trade Marks, 1999, 24.26 et seq. and 6.59 where he deals briefly with the issue of reputation; Tritton, Intellectual Property in Europe, 2nd ed. 2002, 3-172.


\(^ {30} \) For a slightly different opinion see Rusconi, Rivista di Diritto Internazionale 2001, p. 81 et seq.
out by OHIM is rather minimal and, in any event, the acceptance
of any particular seniority claim is not binding upon national
courts or authorities, the CTM proprietor must be prepared for a
substantive challenge to the seniority claim.31

More importantly, the requirements need to have been
fulfilled not only at the time of claiming seniority, but also at the
time of surrender or expiry of the national mark. In particular,
triple identity must continue to exist at the time of the surrender
or expiry of the national mark. This is of particular importance in
the case of change of ownership. In such a case, the new owner of a
CTM who wishes to rely on seniority must carefully examine the
chain of title and verify that the same changes were made in
relation to the national mark. The assignment of a CTM does not
automatically extend to the national marks for which seniority has
been claimed, at least not before the seniority effect has become
operative (i.e., before the national mark is surrendered or expires).
The parties to the assignment rather must have agreed that the
assignment extends also to national registrations, be it explicit or
implied, and the CTM owner should make sure that there is some
documentary evidence supporting this interpretation of the deed of
assignment where it is not evident from the language. Moreover,
the new owner must make sure that all formal requirements for
the change of ownership are fulfilled at the time of the surrender
or expiry, i.e., that he is the registered owner (where necessary) or
at least that the necessary application has been made (where
sufficient) to record the transfer. Otherwise, in a subsequent
lawsuit, it may be very difficult, if not impossible, to prove the
existence of triple identity at the time the national mark was
surrendered or allowed to lapse.

Furthermore, the seniority claim will have effect only after
registration of the CTM.32 If the earlier national mark is
surrendered before the registration of the CTM, the seniority
automatically ceases to have effect. Two questions arise: first,
whether the expiry of the national mark before the registration of
the CTM has the same effect, and second, whether the surrender
or expiry of the national mark before the explicit acceptance of the
seniority claim by OHIM renders the seniority claim invalid.

As to the first question, namely, whether the expiry of the
national registration, which is the basis of a seniority claim made
with the filing of the CTM application, leads to the seniority being
lost, we have said that this is indeed the result of a surrender in
accordance with Article 34(3) CTMR. This provision mentions only
the surrender of the national mark before registration of the CTM,
not the expiry. On the other hand, Article 34(2) CTMR speaks of

31. As mentioned above in Part III.E., OHIM examines only whether the marks are
identical, but examines neither the identity of the owners nor of the goods.
32. See Articles 34(2) and (3), 35(2) CTMR.
the “proprietor of the Community trade mark,” and in the terminology of the Regulation, “proprietor” only applies after registration of the CTM in question. This could be understood to mean that where the national mark is allowed to lapse (rather than surrendered) prior to the registration of the CTM, the seniority claim loses its effect. It seems, however, that in the case of expiry, the seniority effect would come to life after registration of the CTM, as otherwise, the omission in Article 34(3) CTMR to refer to the expiry would be inexplicable.

As to the second question, namely, whether the validity of the seniority claim depends on the explicit acceptance by OHIM, the Regulation is silent. We have said above that under the Regulation, one could argue that the mere claim is sufficient for the seniority to become effective, while the acceptance by OHIM is a mere administrative act with no immediate legal effects. If this is true, the seniority claim does not lose effect even if the national registration is surrendered or lapses prior to the acceptance of the seniority claim by OHIM. As also mentioned above, however, there is no express language in the Regulation nor any court decision or doctrine to support the assumption that the seniority claim takes effect merely upon its filing. In view of these doubts, we would advise under all circumstances to maintain the national registration until OHIM has accepted the seniority claim.

D. Is the Earlier Priority Necessary?

When deciding whether a national mark should be renewed, if a CTM is in place, one of the criteria will also be whether the trademark owner needs to rely on the national mark to ensure sufficient trademark coverage. For conflicts with respect to any marks filed (or used) after the CTM filing date, the CTM itself will give sufficient coverage, and the national mark only adds additional protection. The national mark will therefore only come into play where the conflict concerns a third party right that was obtained before the CTM but after the national mark of the CTM owner. The longer the CTM has been registered, the less risk exists. A search concerning the period of time between the filing or priority date of the national mark (the date of seniority) and the filing date of the CTM may be of additional help when the decision about the renewal of the national mark must be made. One should, however, measure the potential cost of such a search against the cost to be incurred by one further renewal of the national mark, which will likely lead to the decision about the renewal being postponed until the end of the next renewal term.

33. See, e.g., Articles 9(1)(a), 15(1), 16(3), 17(8) CTMR.
34. See supra Part III.E.
Use can play a major role in the decision whether or not to renew the national mark. According to the prevailing opinion, a CTM can be maintained by using a mark (“genuinely” of course) in any part of the Community, which may be the territory of just one member state. A national mark, however, can only be maintained by using it in the country of registration. A national mark that is not in use will not be of much value in an infringement suit, nor will it be a defense against the owners of subsequent rights (who could also request the cancellation of the national mark). In such a situation, the CTM owner may as well permit the national mark to lapse as he will then be in substantially the same position that he would be in if the mark continued to be registered. He will not be able to rely on the earlier seniority of the national mark without triggering a cancellation action directed against what could be called the “seniority effect.”35

If use is resumed, it will depend on the national law in each member state whether such use retroactively remedies the vulnerability of the national mark, or the “seniority effect,” and if so, the question is what to do about rights that have been acquired during the time of vulnerability of the national mark. Whatever the national law establishes, it should apply equally to the mark that is actually on the register and to the “seniority effect” arising from that mark once it has expired or been surrendered.

An additional point to consider when relying on the seniority effect of allowing a national registration to lapse is that the geographical coverage of national registrations may be greater. For example, a Danish trademark registration covers Greenland, a French registration covers Mayotte, and for obtaining trademark protection in Jersey, an English national trademark registration is necessary.36 A CTM, however, does not cover these territories as they are not subject to the law of the European Union, nor does Article 34(2) CTMR have any binding effect on these territories.

---

35. In accordance with Article 14 Harmonization Directive, the national mark can still be cancelled after it has been surrendered or allowed to lapse, if a seniority claim has been based on it. In the case of revocation, the German law speaks of “establishment of invalidity” rather than cancellation as there is nothing on the register that could in fact be “cancelled” (see §§ 49(1), 125c German Trademark Act).

36. See for details and, for France, the difference between Overseas Departments and Territories (the former are subject to EC Law, the latter are not) v. Bomhard, The European Community Trademark: Effects of Seniority in Former Colonies and Protectorates, 87 TMR 137, 141 (1997).
Accordingly, where these considerations play any role, the owner of the national registration would effectively lose part of his trademark coverage when allowing its national registration to lapse and relying on the CTM and the seniority effect. In such cases, he may be better advised to maintain the national mark.

**G. Cost/Benefit Analysis**

In the end, the decision will come down to a cost/benefit analysis. The CTM owner will have to consider the pros and cons in accordance with the parameters indicated above: the risks of abandoning the national mark, the question of triple identity, the chain of title, the time the CTM has been registered and the gap in priority between the national mark and the CTM, the territorial effects and the cost of the renewal and subsequent maintenance and administration of the national mark in question. We believe that, in spite of the frequent skepticism about the reliability of seniority, this evaluation may often lead to the expiry of the national mark not being such a bad option.

**H. Practical Recommendation—Evidence**

In all events, the trademark owner should make sure that he has a good file, i.e., that he is in the possession of all the necessary evidence to prove the validity of the seniority claim, both at the time of requesting the seniority and at the time the national mark is surrendered or not renewed. The file should be in order from the time the seniority claim was made because at that time proper seniority documents had to be filed with OHIM, showing the owner, the mark and the goods in question, as well as the status of the national registration. When the national mark expires or is surrendered, the CTM owner who has any doubts about the current status of the registration, and if any change of ownership has taken place, should get a current excerpt from the national register in question. Once he has this record on file, he will have little difficulty later proving to the national authorities and courts or to OHIM that everything was in order at the time the national mark expired or was surrendered.

**V. EFFECT OF SENIORITY IN THE CASE OF CONVERSION**

A final point is the importance of a seniority claim if and when the CTM ceases to have effect, i.e., when it is cancelled or surrendered. In such a case, the CTM owner can request the

---

37. Given that the national marks will hardly ever be allowed to lapse before the CTM is even registered, conversion resulting from the refusal of a CTM application plays no practical role in this context.
conversion of the CTM into national applications maintaining the priority of the CTM in accordance with Article 108(3) CTMR. Moreover, under the same provision, the earlier national registration, which has “merged” into the CTM on the basis of a seniority claim and was subsequently abandoned, can be revived to the extent that it receives its former priority.\textsuperscript{38} Of course, if the national mark is still on the register, the CTM owner will simply maintain this and the seniority claim will not play any role. But if it is not, the CTM owner can reclaim the former national mark with the old national priority, relying on the seniority claim.

Under Article 108(3) CTMR, there is no provision for partial seniority claims, i.e., if the national mark was registered for less than all of the goods covered by the CTM. However, it appears that in this case, the national application resulting from conversion would have a split priority. For example, if the CTM covered clothing, footwear and headgear, and the national registration covered only shirts and trousers, the national registration resulting from conversion would have the priority of the (former) national registration in relation to shirts and trousers, and that of the CTM in relation to the remainder of the goods covered by the CTM. In effect, this situation is the same as in the case of a partial Convention priority claim, and the register will simply point to different priorities for different products in the same national registration.

Finally, one peculiarity of the French law should be mentioned in this context. In the event of conversion, the French law offers the advantage to the CTM owner who has claimed the seniority of a French national registration that the application resulting from conversion will not be made subject to any new substantive examination, and third parties cannot file any oppositions.\textsuperscript{39} While some of the other national laws provide privileges if a CTM registration is converted (rather than a CTM application), namely, that the resulting national application will not be made subject to examination of absolute grounds of refusal (Austria\textsuperscript{40}) or will in fact almost directly proceed to registration, i.e., without examination and without the possibility for third parties to file opposition (Germany, and to a limited extent Spain\textsuperscript{41}), no law other than French law makes any difference between converted CTMs that contained a seniority claim and others.


\textsuperscript{39} Article L. 717-5 CPI.

\textsuperscript{40} See § 69c (2) Austrian Trademark Act.

\textsuperscript{41} See § 125d (2)-(4) German Trademark Act and Article 87 (4) Spanish Trademark Act.
VI. CONCLUSION

The initial skepticism towards the CTM in general is declining. Even the most careful trademark owners that, for a long time, resisted the temptation to apply for a CTM, have now taken up CTM filing to protect their intellectual property rights in the European Union. Apart from the well-known arguments in favor of the CTM (i.e., cost, simplicity, and use), the future enlargement of the European Union to as many as 25 member states rather than 15, and the proposed automatic extension of CTMs to the accession countries have added new attractive features. The initial skepticism seems to prevail, however, with respect to seniority and its effects. One reason for some may be that the concept of seniority was developed by the drafters of the Regulation. To others, it seems incredible that one should enjoy trademark rights resulting from a registration, even after that registration has lapsed or been surrendered. Still another reason may be that it is the issue of “seniority” where the national laws (which still differ greatly) and the Community law are most closely intertwined. In any event, we believe that seniority is not the “big unknown.” In fact, a trademark owner, considering the renewal of a national mark, must deal with very real down-to-earth issues (such as cost, validity of the seniority claim, and the necessity of the earlier priority in the country in question), and should therefore evaluate the costs and the benefits of maintaining or abandoning the national registration. It is certain that a national registration should always be maintained where the CTM is not yet registered or is under attack. Aside from that, no single answer can be given to the question whether to renew the national registration, but the answer is certainly not always yes.

42. The prospective accession countries are Poland, Czech Republic, Slovak Republic, Hungary, Slovenia, Estonia, Latvia, Lithuania, Cyprus and Malta. Accession is envisaged to take place during the first half of 2004, pending the outcome of the further negotiations and decisions made in the existing member states as well as the accession countries in accordance with their respective national laws (parliamentary act, referendum etc.).