

Misconception Clarifications and Common Differences between Community Trade Marks v United States Trade Marks

If you were to ask 100 people “who was the first President of America?” you would receive an overwhelmingly confident answer: George Washington. However, this is a misconception. While George Washington was the first President of the United States, John Hanson was appointed by Congress as the first President of America in 1781 under the Articles of Confederation. John Hanson held this position for 2 years. His appointment was nearly 10 years prior to the election of George Washington as the first President of the United States.

This point goes to show that there are several misconceptions hiding behind seemingly true statements. Currently, there is a general misconception that the trade mark processes of the European Union and the United States are nearly identical. This misconception has been further accentuated since the United States and the European Union joined the Madrid System (in 2003 and 2004 respectively). While it is indeed true that there are several similarities between the trade mark process for Community Trade marks (CTMs) within the European Union and United States trade marks, there are also some critical differences. These differences can often cause confusion to those untrained in this field. The description of goods, opposition process, and use of the mark are three ways in which CTMs and United States trade marks greatly differ from each other.

The visual mark and the description of goods help to characterize a trade mark. One of the biggest differences between CTMs and United States trade marks is the language used in describing the goods covered by the mark. The United States requires descriptions to be specific and in common commercial language. For instance, instead of “soap,” the description “bath bubbles” may be more appropriate. In regards to use, a mark can be revoked even if just one class description is not being actively used in commerce. For example, if a class contains the description “wine, liquor, and spirits,” but the trade mark is only being applied to wine, then the entire mark can be revoked. For a CTM, class descriptions can be more vague and general. In fact, for efficiency purposes, OHIM encourages the use of pre-defined class-headings for describing goods. These pre-defined class-headings effectively cover everything within a particular

class. One of the reasons for such broad descriptions is the vast number of languages within the European Union. For translation purposes, pre-defined class-headings are less complicated to handle.

Both United States trade marks and CTMs are eventually published after being filed. Once published, the mark can be opposed by the owner of an earlier trade mark for likeness or similarity to another mark. For United States trade marks, the opposition period can be extended up to six months and proceedings begin immediately after an opposition is filed. According to WIPO, about 3% of United States trade marks that are filed commence opposition proceedings. For CTMs, the opposition period is non-extendable and lasts three months; however, the process is unique in that a two-month “cooling off” period immediately follows the filing of an opposition and parties are encouraged to reach settlement before entering further proceedings. This “cooling off” period can be extended up to 22 months. The opposition rate for CTMs is about 16%, but more than half of this number reaches settlement. In addition, opposition fees are refunded once parties decide on a settlement within the “cooling off” period. Therefore, while a CTM is more likely to be opposed than a United States trade mark, more steps are taken to ensure amicable settlements so as to avoid litigation proceedings.

Another way United States Trade marks and CTMs differ is use. In order for a United States trade mark to obtain registration, there must be actual use or bona fide intent to use the mark within the United States. The only exception to this use requirement is when a foreign applicant is claiming priority on a mark that has obtained registration from a governing body outside of the United States. Despite this exception, there is a proof of use requirement that must be fulfilled between the fifth and sixth year after registration for all United States trade marks. If proof of use is not shown, the mark is automatically revoked by the United States. Proof of use is also required for renewal. For a CTM, on the other hand, there is no use requirement to obtain registration or renewal. However, a CTM may be vulnerable to revocation by a third party if the mark is not used for a continuous period of five years. Unlike the United States, this revocation is not automatic and can only arise via a third party complaint. One way for a CTM to avoid revocation is to show the existence of use within just one of the 27 nations covered by a CTM. For example, exclusive use of a mark within Spain is sufficient to show use within the entire community.

While CTMs and United States Trade marks do, indeed, share many similarities, their subtle differences must be strictly observed and understood. The misconception that the registration process is nearly identical in both jurisdictions may result in costly extra time and paperwork for those attempting to obtain a trade mark. When filing a trade mark, it is always advised that a professional with proper knowledge of the trade mark process is consulted prior to filing. Without such knowledge, a mark could easily become unprotected and susceptible to infringement and revocation. As George Washington once said, "Associate with men of good quality if you esteem your own reputation." In other words, your reputation is valuable, and trade marks represent that value. Be sure to get the correct advice at all times.

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