

## TRADE MARK NEWSLETTER

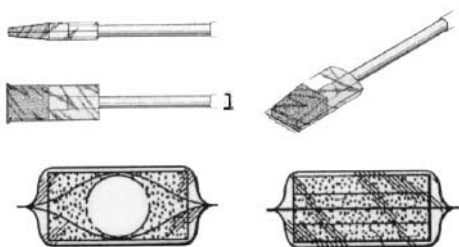
## Registered Community Designs - How Strong Are the Rights?

On 1 April 2003 the new Registered Community Design system came into force. During its first year over 24,000 designs were registered and it is anticipated that around 40,000 applications will be made in 2004.

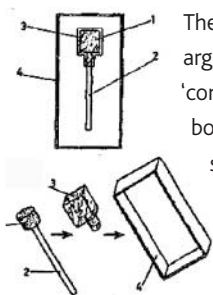
Despite being operational since April 2003, the first official decisions on designs which have been challenged on the grounds of invalidity are just being issued.

One of the first cases reported in English is José Mallent Castello's application to invalidate Registered Community Design number 000022454-0002 in the name of 3M Innovative Properties Company.

3M's Community Design was filed on 11 April 2003 for a "skin antiseptic composition dispenser" which was represented as shown:



On 12 December 2003 an application for invalidity was filed claiming that the dispenser element of the design registration was 'totally anticipated' by an earlier Spanish utility model owned by Mr Castello, covering a 'disposable sterile swab'. Representations of the Spanish utility model are as follows:



The applicant for invalidity argued that both devices 'constituted of an applying body linked to support suitable for handling the conjunct and the application of the antiseptic (aseptic) composition to the skin'. The applicant also submitted that "the

applying body of the Registered Community Design (RCD) presents a perceptible trapezoid form, which configuration is comprised in the first claim of the Spanish utility model."

Additionally, the applicant claimed that the support (or stem) forming part of the RCD "represents a cylindrical, stylised and stiff configuration, just as the claimed support in the Spanish utility model". Accordingly, the RCD should be invalidated due to overall lack of novelty and due to its anticipation by the Spanish utility model.

The RCD owner argued firstly that 'the application fails to identify a prior design' as the Spanish utility model was not a registered design and was available to the public prior to the 14 October 2002. Accordingly, the Invalidity Division should not grant the invalidation request. In addition, the defendant relied on clear differences between the appearance of the wedge-shaped head and the cylindrical head in the respective designs.

In a robust set of findings, the Invalidity Division decided firstly that the legal basis for declaration of invalidity of the RCD due to lack of novelty was admissible and therefore, the application for invalidity was admissible. However, the claim for invalidity failed on the merits:

The Invalidity Division had to consider whether the claims alleging earlier disclosure for novelty and lack of individual character had been met. In respect of novelty, it accepted that the 'disposable sterile swab' and the 'skin antiseptic composition dispenser' each consisted of a stem and a head attached to one end of the stem. However, the head depicted in the Spanish utility model had the shape of a cylinder, whereas the head of the dispenser in the RCD was a wedge-shaped head. The reference to the swab in 'any form, size and texture' claimed under the Spanish

utility model did not constitute a disclosure of a specific form; in particular the reference did not anticipate the wedge-shaped form of the swab head represented in the RCD.

Where the drawings in the Spanish utility model disclosed a "perceptibly square form" they referred to the first and second container for the swab, but not the swab itself. Accordingly, the design disclosed in the Spanish utility model was not identical to the design represented in the RCD and therefore, the submission by the applicant that the RCD lacked novelty was not founded.

In assessing the RCD's individual character, the Invalidity Division considered that the starting point would be the perspective of an informed user, familiar with the products to which the RCD relates. He knows that a 'skin antiseptic composition dispenser' is a medical device used in antiseptic preparation of a patient's skin for surgery. Accordingly, the informed user takes into consideration the degree of freedom the designer has in developing the design on the functionality of the product to

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## FOCUS ISSUE: CTMs &amp; RCDs

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For further information about trade mark and design rights please visit [www.dyoung.com](http://www.dyoung.com)

which the RCD relates. This affects the degree of overall freedom of the designer and hence has to be taken into account.

Bearing in mind the basic structure of a medical device such as a swab is a consequence of its functionality, an informed user would focus his attention on the features not necessarily implied by the function. The head of the swab does not need to be in a specific shape in order that the device can fulfil its function. Thus, shape could contribute to the design's individual character.

The Invalidity Division concluded that the applicant's submission that the Community Design lacked individual character was not founded, since the wedge shape of the head of the RCD combined with the cylindrical stem produced a different overall impression to the cylindrical head and stem features combined in the Spanish utility model.

It is clear from this decision that OHIM are intending to take a strict interpretation of the criteria for individuality and anticipation in the Regulation. This should be welcomed by proprietors of RCDs and give them confidence that their RCD will withstand any but the strongest invalidation challenges made against them.

## Recent Developments at OHIM: Community Trade Marks

There have been a number of significant changes recently which affect users of the Community Trade Mark system. In their 2003 Annual Report, OHIM have provided some interesting commentary on their effects and some pointers as to the future.

Overall, new filings at OHIM for Community Trade Marks rose in 2003; a total of 57,637 new applications were lodged compared with 45,104 in 2002 and this set a new record.

As a consequence however, the average length of the examination procedure has increased slightly; OHIM's statistics indicate that this is now 12.4 months. Our experience is that it is unusual to achieve registration at OHIM in less than 18 months, even if there are no problems during prosecution.

### Users of the CTM System

German applicants constituted the highest category of user during 2003, filing more than 25% of all new applications. US applicants filed just over 11% and UK applicants just over 9% of the applications received. None of the new EU accession states featured in the top 20 of applicants by nationality. However, applicants based in the 15 pre-accession member states of the European Union accounted for 66% of new filings.

### EU Enlargement

From 1 May 2004, the European Union welcomed ten new member states. This expansion has added significantly to the internal translation costs at OHIM, although to date they have not chosen to increase their official fees to users. There are indications however that enlargement may eventually lead to a decision not to issue the official search report as part of the OHIM trade mark examination procedure. In practice, since the current search report is incomplete (for example, results of national searches from France, Germany and Italy are not included), the abolition of this document may not have a serious impact.

In advance of the expansion of the EU, a significant number of new CTM filings were made, particularly in the month of October 2003 (one fifth of all trade mark applications received in 2003 were filed during that month). This



## D Young & Co Online New Look; New Content

We are pleased to announce the launch of our new look Internet site during September 2004. The website has been extensively redesigned and extended in order to present succinct advice and online intellectual property resources for our site visitors.

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enabled new applicants to avoid the effects of the transitional provisions in the accession regulation, whereby any CTM applications filed after 1 November 2003 could be opposed by owners of earlier rights in new accession states.

## The Link with Madrid

As of **1 October 2004**, owners of registered or pending Community Trade Marks will be able to extend their protection to any countries which are a party to the Madrid Protocol, relying on the Community mark as the basis for the International (Madrid) application.

Conversely, it will be possible from that date to designate the European Community in an International application originating overseas via the Madrid Protocol. This will allow proprietors of International registrations to obtain protection in the 25 European Union member states through a single designation. Currently, the likely cost of such designation is set to be comparable with the cost of a direct Community Trade Mark filing.

## Opposition Statistics

The volume of new oppositions filed at OHIM remains constant at around 10,000 (approximately 18% of CTM applications are opposed). However, the statistics also indicate that more than 70% of all oppositions are settled prior to a final adjudication by OHIM.

## Appeals

OHIM has reorganised the structure of the internal Boards of Appeal in order to provide more flexibility. While it will normally remain the case that an appeal will be heard by 3 Board members, in significant cases, this number may be increased and, conversely, in some cases the appeal will be heard by a single member of the Board. OHIM is alert to the need to ensure consistency of decision making and has also appointed a President of the Boards of Appeal, whose function will be to ensure administrative efficiency and avoid inconsistent decisions.

Relatively few cases are appealed beyond the first level within OHIM. In 2003, 719 new appeals were filed, of which 72% related to "inter partes" cases (principally oppositions). In 56% of cases where decisions issued

in 2003, the Board of Appeal upheld the decision at First Instance.

Further appeals to the European Court of First Instance are even more unusual; in 2003, only 99 appeals were filed, with a further 7 going on to the ECJ.

## Electronic Filing / Information

OHIM launched their electronic filing system in 2002 and by the end of 2003, e-filing accounted for around 20% of all new applications. OHIM is still working on the protocol for prospective on-line users, in order to introduce more simplification. As visitors to OHIM's website ([www.oami.eu.int](http://www.oami.eu.int)) will be aware, a significant amount of information concerning the working of the CTM registration system is available on-line and the CTM on-line search facility has recently been upgraded and provides a useful "look-up" for advisors and clients alike.

## D Young & Co Comment

Overall, from a standing start in 1996, OHIM has an impressive track record of responding to change, efficient operation and consistent application of standards. In terms of cost-effectiveness, it represents the best option for proprietors seeking protection for their trade marks in the European Union. Our experience, however, is that users still file national applications in parallel with a CTM filing in their significant EU markets, to insure against the possibility that the CTM ultimately fails. It is always difficult to predict with certainty whether a CTM filing will be opposed and, if so, the potential outcome. Clearance searches pre-filing will give some indication as to likely risk, but cannot be conclusive, since a challenge based on earlier non-registered rights is also possible.

Nevertheless, many of our clients have been able to secure Community Trade Mark registrations for their principal marks and thus the benefit of a unitary right covering 25 major countries, with a significant consumer population.

The latest OHIM statistics clearly demonstrate that the Community Trade Mark is a resounding success, generating continued demand amongst trade mark proprietors, who appreciate the benefits of a single unitary right with minimal use requirements.

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# Changes to the Community Trade Mark Regulation

The Community Trade Mark Regulation (Council Regulation (EC) No. 40/94) has recently been amended with the adoption of Council Regulation (EC) No. 42/2004. The main changes to the Regulation are as follows:

- 1) **Article 5 of the CTM Regulation has been amended to provide that any natural or legal person (including authorities established under public law) may be proprietors of Community Trade Marks.** Accordingly, the provision that proprietors must be nationals of (or have "real and effective industrial or commercial establishments" within) EU Member States, States which are party to the Paris Convention or to the WTO Agreement, or States affording reciprocal protection to nationals of EU Member States no longer applies.
  - 2) **The rules on the Community search reports will change quite significantly.** National search reports will become optional. The applicant will be able to request that a search is carried out by the National Offices of Member States at the time of filing the CTM application, and this will involve the payment of a fee. Where such a request is made, the National Offices will have two months to provide OHIM with the search reports, which will be in a standard form. The search of earlier Community Trade Marks carried out by the CTM Office will remain compulsory.
  - 3) **The CTM Regulation will provide for the possibility of dividing a Community Trade Mark application or registration into one or more divisional applications/registrations.** The division will not, however, be allowed if an opposition, application for a declaration of invalidity or revocation application has been filed against the mark and the division would have the effect of dividing the goods or services against which the opposition (or revocation or invalidity applications) have been filed.
  - 4) **A new provision will allow the CTM Office the discretion to revise their decisions in ex-parte cases.** Where an appeal has lodged against a decision of the CTM Office, the department whose decision is contested will consider the appeal and will have the opportunity of 'rectifying' the decision without recourse to the full appeal procedure.
  - 5) **Similar provisions apply in the case of inter-partes cases. Here, however, the CTM Office must notify the other party to the proceedings of its intention to rectify its decision.** That other party will then have a period of two months within which to accept the decision to rectify. If (as seems to be likely in most cases) the party that has not appealed does not accept OHIM's decision, the appeal procedure will continue.
  - 6) **The CTM Office will be able to revoke decisions or cancel entries onto the CTM Register where it has made an 'obvious procedural error',** provided that this occurs within six months of the date on which the error was made.
  - 7) **Parties to proceedings before the CTM Office will be able to request the 'continuation of proceedings' where certain deadlines have been missed.** However, such a request will be admissible only if it is made within two months of the expiry of the unobserved deadline, and if the omitted act has already been carried out. This will require the payment of a fee, which will be refunded if the request for continuation is rejected.
- There are, however, situations in respect of which this effective 'retrospective' extension of time will not be available, including (but not limited to) the terms for bringing a case before the Court of Justice, opposition, renewal, appeal, revision of decisions in inter-partes procedures, restitutio in integrum, requests for conversion and the continuation of proceedings.

The amendments discussed at paragraphs 1) and 4) above are already in force. The amendments at paragraphs 3), 5), 6) and 7) will enter into force 'when the necessary implementing regulations have been adopted', and the changes to the Community Search Reports described at paragraph 2) will not be applied until 10 March 2008.



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## Important Notification: Change of London Office Address

We are pleased to announce the official opening of our new London office. From **20th September** our London partners and professional staff should be contacted at:

120 Holborn, London EC1N 2DY  
Tel: +44 (0) 20 7269 8550, Fax: +44 (0) 20 7269 8555

Our Southampton office remains unchanged. If you usually contact our Southampton office please continue to do so:

Briton House, Briton Street, Southampton, SO14 3EB  
Tel: +44 (0) 23 8071 9500, Fax: +44 (0) 23 8071 9800

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