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**The Community Trademark and the Office for Harmonization on the  
Internal Market (OHIM)**

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**Abstract:** The registration of products and services through the Community trade mark give them an extended protection, acceptable throughout the European Union (EU). By means of a single registration, protection is obtained in all the 27 Member States and the previously recorded Community trademarks or those presented for registration automatically extend their effects in the countries that will join the European Union. The advantage of registering a Community trade mark is highlighted by minimal registration costs, extended protection across the EU and a minimal time to become legal, for the benefit of exporters and of those providing services, in order to avoid divergence (payment of damages) and conflicts with the companies and businesses in this area.

**Keywords:** trade; marks; designs; OHIM; EU

## **1 Introduction**

The existence of an international system for the registration of trade marks and the creation of the community trade mark allows a holder to benefit from a much larger protection in terms of the geographical area. Harmonization in the context of trademarks is desirable, as it provides the skeleton on which the holders of trade marks can plan their marketing strategy, while being sure that their trademarks are protected in different countries with in the same or in a similar way.

The European Union is one such area where suppliers of goods and services can benefit from a unique protection in all Member States.

Unlike the international registration system, that requires registration only in several countries of interest, the Community trade mark confers registration in all 27 countries and the most advantageous way for exporters and service providers within the European Community.

## **2 The Community Trade Mark**

The community trade mark, as any other industrial property right, is a vital element of corporate strategy. The increase of the brand value leads to broadening and strengthening the market share held by the company. On January 1, 1993, the freedom of movement for goods, services and people within the European Community has given a European dimension to the trade practiced by a large number of companies, this date becoming a landmark for the community trade mark. These companies, who were conceiving their strategy in the area of industrial property in relation to their main market, which often was the national market, were

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forced to reconsider their strategies. The community market became the main market, which led to a revision of the previous strategy.

Before the existence of the Community trade mark, trade mark protection was being achieved in two ways, i.e. nationally and internationally. The national way refers to trademark registration separately in each EU country, respecting the existing national procedures. The international way refers to the “international registration” through the International Bureau of the International Intellectual Property in Geneva / Switzerland. By filing a single application for registration to the Bureau, with the designation of the countries in which protection is desired, under the Madrid System (Madrid Arrangement or Protocol), based on a registered trademark (Madrid Arrangement) or registered trademarks / applications for registration (Madrid Protocol) existing in the applicant’s country – the country of origin - the administrative side of running the operation of protection was simplified. However, it should be noted that this route was only for those applicants who had a real and effective industrial or commercial company in a member State of the Madrid Agreement / Protocol, or who had the domicile in such a Member State or the nationality of such a Member State.

### **2.1 Exhaustion of Trademark Rights**

The trademark protection only in a Member State is not sufficient in order to provide protection throughout the Community. In this regard, the existence of the community principle “the exhaustion of trademark rights”, established by the European Court of Justice, included both in Community and national laws, is extremely important. It is about the loss or “exhaustion”, by the trademark owner, of certain rights, after the first use of the products under the protected trade mark. This principle was developed in the context of parallel imports and refers to the fact that the trademark owner can not control the subsequent sales of a product under its trade mark; his/her right is “exhausted” by selling that product.

### **2.2 The Advantages of the Community Trade Mark (CTM)**

The community trademark offers the advantage of protection through a single registration procedure at the OHIM and gives the holder valid rights throughout the European Union. In addition, there are restrictive conditions related to the applicant, who can be any person or entity. Simplifying procedures and significantly reducing fees are obvious advantages. In addition, the CTM system can be alternative or complementary to the national or international ways. The three ways are connected by a “link” that allows the applicant to choose, depending on the specific requirements, for a system or another. This connection was materialized in 2004, by the connection between the Madrid Protocol and the CTM system. Thus, an applicant may designate, in an international application filed under the Madrid Protocol, the European Union; an application for the registration of a community trade mark or a registered community trade mark may be a basis for an application for the international registration under the Madrid Protocol.

The geographical area of a Community trade mark includes 27 countries, with a population of almost 500 million inhabitants, with a different living standard, from medium to high. The community trade mark is a tool designed to meet EU market requirements.

The unitary nature of the community trade mark results from the fact that it can be registered and canceled only throughout the European Union. It is valid for a period of 10 years and it can be renewed whenever the holder deems it necessary.

In addition, the legislation governing the Community trade mark is similar to the national laws applied on marks in EU countries.

### **2.2.1 CTM Rights**

The community trade mark gives the holder a right applicable throughout the European Union, through a single procedure, and covers the three essential functions of the mark, i.e.: it indicates the origin of products and services; it guarantees their quality, by the company's commitment to the customer; and it is an excellent medium of communication, promotion and advertising. There are community trade marks belonging to the manufacturer, commercial and service community trade marks and collective trade marks. The collective community trade mark distinguishes the goods and services of an association of producers or traders, from those of other people

### **3. The Office for Harmonization on the Internal Market (OHIM)**

The Office for Harmonization on the Internal Market (OHIM) is a European Union agency responsible for promoting and managing the Community trade mark (in 1994) and of the registered Community design (since 2003). OHIM is, in fact, both an EU institution and an industrial property office, which registers the property rights for Community trade marks and designs.

The legal basis for the Community trade mark is the Council Regulation no. 40/94 of 20.12.1993, as well as: 1) the Commission Regulation no. 2868 of December 13, 1995, for implementing the Council Regulation no. 40/94 of 20.12.1993; 2) the Regulation (EC) no. 2869/95 of 13 December 1995 on the fees payable to the Office for Harmonisation on the Internal Market; the Regulation (EC) no. 207/2009 of February 26, 2009 on the Community trade mark.

The first CTM registration applications were filed in 1996, and, for Community designs - in 2003. The Community trade mark and the Community design are essential for the single European Union market, being valid throughout the Union. Their management is very simple because we have a single registration application, a single legislation and a single valid protection on the geographic territory of the European Union. In addition, costs are substantially reduced compared to those required, taken cumulatively, for each country.

OHIM examines records and manages Community trade marks and designs and ensures their protection at European level. Also, OHIM maintains the registers of Community trademarks and designs, and, together with the courts of EU Member States, decides on requests for cancellation of community trade marks. Being a legally, administratively and financially independent public institution, it is also a legal entity governed by Community laws. The legality of its decisions is overseen by two Community Courts: the Court of First Instance and the European Court of Justice (ECJ). OHIM should have a balanced budget, its income deriving from fees for applications, registrations or renewals of Community trade marks and designs.

OHIM headquarters is in Alicante (Spain).

#### 4. Conclusions

The first phase of EU enlargement, after the entry into force of the legislation on the Community trade mark, took place in 2004, when there has been extended the validity of this industrial property right, without any formality, in 10 countries (the Czech Republic, Lithuania, Estonia, Latvia, Poland, Hungary, Slovakia, Slovenia, Malta, Cyprus). As a consequence, in 2004 and 2005, OHIM received a record number of applications for CTM registrations. The entry into force of the Madrid Protocol for the European Union allows its designation, along with other European countries, in an application for the international registration of a mark, filed with the International Bureau of the International Intellectual Property Organization (WIPO). At the same time, the filling in, at the International Bureau, of an international application, based on an application for a CTM registration or on a registered CTM, represents another possibility for the applicants.

A second phase of EU enlargement took place on January 1, 2007, when Romania and Bulgaria joined the Union as full members, the Community trade mark extending its validity automatically within these countries

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