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One-time Trademark Opportunity in European Union

Trademark owners should file applications in the EU before May 1, 2004 (and preferably before November 1, 2003)

The upcoming expansion of the European Union ("EU") into Eastern Europe will provide trademark owners who want to protect their marks abroad with a unique, **one-time** opportunity: Any application filed before May 1, 2004, that is not blocked by an existing mark or a defect under national law in one of the current EU countries¹ will automatically result in a registration in the entire EU if the application is approved.

On May 1, 2004, ten new members – Cypress, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia – will join the EU. The new registration's effective status will extend to the ten new members even if there is a prior registration of an identical mark in one of the new members or the new mark would ordinarily not be registrable because it was defective under national law of a new member.

Ordinarily, if an application to register a new mark in the EU as a whole encounters a prior registration of a similar mark in any individual EU country, the prior mark will block the EU registration of the new mark. By the same token, if a new mark is not registrable in an individual EU country because of some inherent deficiency there, such as being a generic term for the goods or services in that country's language, that national defect will also block EU registration.

Until May 1, 2004, the owner of a new mark will face only limited risk from a prior similar or identical mark in a new EU member. First, if an application to register the new mark is filed between November 1, 2003, and May 1, 2004, the owner of the prior mark can oppose EU registration. However, if the owner fails to oppose or the opposition is unsuccessful, the owner cannot later try to cancel the EU registration of the new mark. Second, the owner of the prior mark can stop

use of the new mark in the owner's own country, but the EU registration of the new mark will remain in effect throughout the EU.

For example, if your company files an application to register in the EU for "Trademark A" prior to May 1, 2004, and there is already an application pending in Hungary, one of the new members, to register a similar mark, the prior Hungarian application will not automatically block your application for Trademark A. If your application to register in the EU is filed between November 1, 2003, and May 1, 2004, the owner of the Hungarian mark may oppose the registration of Trademark A in the EU. However, if the Hungarian owner loses or fails to file an opposition, he or she cannot later try to cancel the registration of Trademark A in the EU; the most the owner of the Hungarian mark will be able to do is stop use of Trademark A in Hungary only.

Another reason to file applications for registration in the EU before May 1, 2004, is financial. Although registration rights will expand from 15 countries to 25 on that date, no additional fee will be charged for applications already on file. After the deadline, things may well be different. Although no decision has been made by the EU, many European trademark practitioners have speculated that, after May 1, 2004, the filing fee for applications to register in the EU may go from the current 975 Euros to approximately 1700 Euros. The current official registration fee of 1100 Euros may also increase proportionately.

¹ *Present EU Member States are Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Sweden, Spain, and the United Kingdom. For trademark purposes though, there are only 13 jurisdictions as Belgium, the Netherlands and Luxembourg constitute a single jurisdiction called Benelux.*

If you have questions about registering your organization's marks in the European Union or elsewhere abroad, please contact your Lathrop & Gage attorney, or any of the attorneys listed below.

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