

BROCHURE TRADEMARKS

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THE HAGUE

Dr. Kuiperstraat 6
2514 BB Den Haag
The Netherlands

T: +31703614721

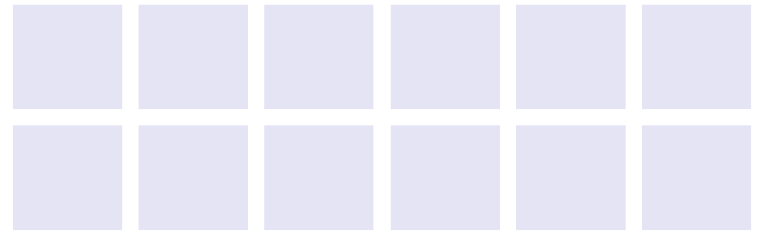
F: +31703646793

APELDOORN

Laan van Westenenk 733A
7334 DL Apeldoorn
The Netherlands

T: +31555380020

F: +31555380025



1. Trademarks

Why protect your trademark?

To a company that has invested a lot of money, time and energy in brand awareness, the protection of their own trademark/brand is a matter of the utmost importance. After all, when the protection of trademarks has not been a priority at the earliest stage, a company may suffer the consequences of competitors trying to profit from the created brand awareness by marketing brands that are almost identical. Only when the trademark is properly protected such practices can be adequately acted against. By paying attention to the protection aspects right from the start of the creation of a trademark, the entrepreneur is moreover kept from introducing a trademark which at a later stage cannot be maintained, for instance because another party already has rights in the same or a corresponding trademark.

Trademarks are very important in economic intercourse. They are indispensable and their use is so self-evident that entrepreneurs sometimes are insufficiently aware of how significant trademarks and proper trademark protection are to their company. The importance of proper trademark protection is a result of the functions a trademark has:

Identification

By using a trademark, an entrepreneur clearly shows that a product originates from his company. The trademark gives the buyer the opportunity to identify the product and enables him to buy the article he liked using the last time.

Quality

A trademark links product to quality. A person satisfied with a product of a certain trademark will expect other products under that same trademark to be equally good. A trademark therefore plays an important part in a producer or dealer building up goodwill.

Advertising

Without trademarks it would almost be impossible for a company to draw the consumers' attention to their products.

Where to protect your trademark?

A correctly registered trademark enjoys national and international legal protection. In the Netherlands, Belgium and Luxembourg the Benelux Convention for Intellectual Property (BCIP) applies for that purpose, the implementation of which is entrusted to the Benelux Office for Intellectual Property (BOIP) in The Hague. In case you develop activities with your trademark in various European countries beyond the Benelux, it can usually be recommended to replace your Benelux trademark by a European trademark registration. A European trademark registration is valid in all (currently 27) member states of the European Union. Should you (also) develop activities with your trademark beyond the European Union, the Madrid Agreement and Protocol offer your trademark a wide, international legal protection. A great number of countries (currently 84) are party to the Madrid Agreement and/or Protocol.

2. Benelux

The registration procedure

In order to invoke trademark protection in the Benelux you will need to register your trademark or trademarks (stating the goods and/or services for which the trademark is/will be used) with the Benelux Office for Intellectual Property (BOIP) in The Hague. There are various types of trademarks. On the one hand there are individual trademarks (trademarks that serve to distinguish the goods or services of a certain company) and on the other hand there are collective trademarks (trademarks that serve to distinguish common characteristics of goods or services of different companies). Individual and collective trademarks can be a trademark for goods as well as a trademark for services. A trademark for goods is used for distinguishing goods and a trademark for services is used for distinguishing services. Individual and collective



trademarks, irrespective of the fact whether they distinguish goods or services, are subdivided into word-, device- and shape marks. For instance characters, numerals, logos, combined word and device elements, shapes of products or packagings, but also colours may in principle be eligible for trademark protection.

BOIP examines whether the trademark in question complies with the criteria to be considered a trademark. Signs that have insufficient distinctive power cannot be a trademark. Signs that are too general or too descriptive cannot serve to distinguish the goods or services of the one company from those of other companies. Certain shapes may not be eligible for trademark protection either, for instance a shape that is required and that cannot be avoided.

When the trademark applied for is provisionally refused, for instance due to lack of distinctive power and/or a descriptive character of the sign in relation to the stated goods and/or services, a refutation can be filed in which arguments are given as to why the trademark does comply with the definition of the trademark legislation. BOIP confirms or reviews the decision taken earlier. In case the decision to refuse the trademark is final, the Court of Appeal in The Hague, Brussels or Luxembourg can be appealed to.

Opposition

Apart from the possibility that trademarks are refused on absolute grounds (lack of distinctive power, descriptive character, etc.) third parties can also lodge oppositions. Owners of senior relevant trademark rights valid in the Benelux have the right to lodge oppositions when they are of the opinion that the published trademark is in conflict with their own trademark. The parties will in such cases be asked to submit arguments in support of their claims, or to start negotiating with each other. Should the parties not come to an agreement, BOIP will take a decision resulting in either refusal or registration of the application. The opposition decision by BOIP can be appealed before the Court of Appeal in The Hague, Brussels, or Luxembourg and subsequently before the European Court of Justice in Luxembourg.

When there are no absolute grounds of refusal that apply to your trademark and/or objections, if any, have been remedied by means of filing a refutation and when there have been no successful oppositions by “third parties” based on relevant, senior trademark rights, registration of the application in the Trademark Register will be proceeded to. A trademark is registered for 10 years, however, the registration can be extended each time by 10 years.

Advantage of trademark protection

Internationally and therefore also in the Benelux you have a right in a trademark when you are the first to register the mark in the Trademark Register. As the owner you are able to forbid others to use your trademark and indications that have a strong resemblance to your trademark. Optionally you can also claim damages when someone violates your right as trademark owner. Once registered, a trademark can no longer be altered. When an extensive alteration of the trademark is necessary, the trademark will need to be registered anew.

Expiry of trademark protection

The right in a trademark expires when the term of validity of the registration has lapsed and said registration therefore was not renewed in time. The right also expires when the trademark owner voluntarily has the registration cancelled. It is important that the right also expires when the trademark has not been used in a normal way in the Benelux area for five years without a valid reason. Finally the trademark expires when – due to actions or omissions of the trademark owner – it has become the generic name of a product or has indeed become misleading for the product in question.

On the basis of the above-mentioned grounds of expiration the cancellation of the trademark registration can be requested in court proceedings. A trademark application however can also be declared null (invalid) on the basis of various grounds incorporated in the law, for instance when the trademark has no distinctive power whatsoever, the trademark could result in misleading the public, the



trademark corresponds with an earlier trademark or could give rise to confusion with a generally known trademark. It could also be advanced for instance that the trademark application was filed in bad faith, as the party submitting the application knew or should have known that the trademark or a corresponding sign was already used in good faith and in a normal way by a third party. Such an application, just like on the other grounds for nullity, can be declared invalid in court proceedings. Some nullity grounds can only be instituted within certain time limits.

3. Europe

European trademark registration

Since 1 April 1996 it has been possible to register a European trademark, also called "community trademark" (CTM). The European trademark enjoys protection in the (currently) 27 countries of the European Union: Austria, Benelux (Belgium, the Netherlands, Luxembourg), Bulgaria, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Malta, Poland, Portugal, Romania, Slovenia, Slovakia, Spain, Sweden and the United Kingdom.

A European trademark should be filed with the Office for the Harmonisation of the Internal Market (OHIM) in Alicante. The system of European trademarks means a simplification and cost reduction for companies that are active in (a part of) Europe. The registration is valid as one right for all EU countries.

An essential part of the registration procedure is the opposition possibility. Against the application for a European trademark an opposition can be lodged, for instance on the basis of a senior right in a corresponding sign in only one member state of the European Union. It is therefore possible that in one case several oppositions are lodged. The opposition proceedings are held at OHIM. When OHIM refuses the registration, appeal is possible before the Boards of Appeal of OHIM, and subsequently the European Court of Justice in Luxembourg can be turned to. Infringement actions have to be brought before the court appointed per member state for that purpose. When a

registration as European trademark is not feasible, for instance because there is a senior national registration for a corresponding trademark in one or several EU countries, the application can be converted into one or more national applications/registrations in the EU countries where the ground for opposition or nullity does not exist.

Costs

A great advantage of a European trademark is the central procedure before one office. The overall costs of registration and renewal will be lower, than when national applications would have to be made in various individual (member) states. On the downside it will not be easy to obtain a registration as European trademark, as there is a considerable risk that in at least one of the EU countries objections will be made and the costs may be considerable when an opposition is lodged against the application. There is also the risk that the European trademark will be declared invalid by a national court as yet.

Term of validity

The term of validity of a European trademark is also 10 years and can each time be extended by 10 years.

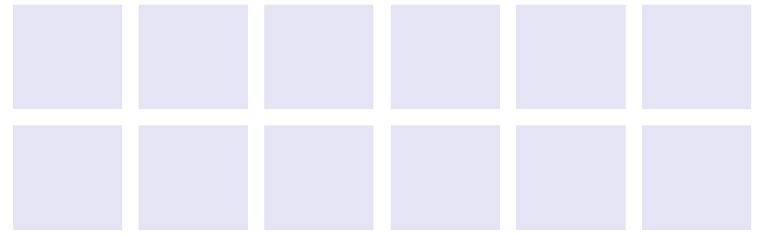
4. International

"Treaty of International Trademarks"

Based on your Benelux registration you may proceed to file a so-called international registration (IR). The purpose of the international registration is facilitating the registration of trademarks abroad and reducing the costs thereof.

Bundle of national rights

An international registration consists of a bundle of national rights. The registration is not valid as one right for all (designated) countries. The international registration in each country has the same legal effect as a national registration. The scope of protection also depends on the national law. The advantage of the international registration (as compared to a European trademark registration) is that the registration can be refused in one or more of the



designated countries without this affecting the existence of the registration. When the international registration is for instance refused in Germany for lack of distinctive power and in France because of a successful opposition by an owner of a senior conflicting trademark registration there, the international registration affords no protection in these two areas, but the protection in the other designated countries remains intact. In such a case the international registration need not be converted into national applications.

A request for registration is filed with the World Intellectual Property Organisation (WIPO) in Geneva, also called the "International Trademark Office". For an international registration a basic registration in the country of origin is required. This is the affiliated country where the applicant is established or has his enterprise. When the application for an international registration has been filed within six months after the application for the basic registration, the international registration acquires the same date as the basic application, irrespective of the actual date of filing (priority was claimed).

Countries

In the international registration protection for a large number of countries can be applied for, including Asian and African countries, but for instance also Australia, China and America.

Costs

The costs of an international registration consist of a basic fee and a surcharge per designated country. A list of countries and an estimate of the costs can be sent to you on request.

Just like in case of a Benelux registration and a European registration, it is possible in case of an international registration that the trademark is refused, for instance because of lack of distinctive power or a descriptive character and oppositions can also be lodged by third parties, against which a defence can be brought.

Term of validity

The validity term of an international registration is 10 years as well, and can each time be extended by 10 years. At renewal if so desired countries can be dropped and at all times countries can be added (so-called territorial extension).