Community Trademarks in National “Community” Courts – a System That’s Fit for the Future?

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The current system

- The CTM system has remained uncompleted with regard to the enforcement side, i.e. concerning sanctions and proceedings
- CTMs are litigated in national courts dressed up as Community courts, but applying national rules of procedure
- Sanctions (apart from those regulated in the CTMR) must be taken from national law
- New developments
  - National rules of procedure + sanctions for IP infringement are harmonised by directive 2004/48/EC (enforcement directive)
  - Rome II-Regulation establishes common rules on the law applicable to non-contractual obligations (for IP see Art. 9)
The problems

- Even after implementation of the enforcement directive, differences between member states‘ rules and procedures will persist.
- More important: „Community“ trade mark courts will remain within national court hierarchies, with no common supreme judiciary.
- Role of the ECJ is confined to answering questions referred to it by national courts.
- No institutional link exists with the OHIM system.
- Lastly, also the coordination between decisions concerning national tms and CTMs may give rise to problems.
Examples

• The “Zirh/Sir“ case
  – Contradictory decisions having been handed down by the Hamburg District Court and the CFI
  – See opinion by AG Colomer, expressing the “hope that such dysfunctions will be brought to an end and that the legislature will become aware of how urgent it is to improve the complex legislative framework."

• Prudential Assurance/Prudential Insurance of America; High Court (Laddie J.)/UK Court of Appeals
  – Opposition against French tm registration based of plaintiff’s CTMs had been rejected by a final decision by CA Paris

• A possible problem: (FIFA) WM 2006?
How could the system be changed?

• The loopholes in the procedural system of the CTM system were due to concerns of lacking Community competence at the time of enactment.
• The situation has changed after reinforcement of the „third pillar“ and in particular after the Nice Treaty:
  – Art. 225a EC allows for the establishment of judicial panels attached to the CFI.
  – Art. 229a allows to confer jurisdiction on the ECJ relating to Community industrial property rights.
• See also Art 28 of the (failed) EU Constitution.
Establishment of a Community Judiciary: The patent dilemma

- The establishment of a genuine Community Judiciary forms part of the proposal for a Community Patent
- However, it appears likely that the CPR (in its presently proposed form) will fail
- Efforts of EPC member states to conclude an Agreement establishing a Common Judiciary (EPLA) have been blocked by the Commission claiming exclusive competence in the negotiations
  - Conditions for exclusive competence have been tested and clarified by ECJ opinion 1/03
  - Though the Commission might find its position confirmed, signals point towards a more conciliatory approach
- Alternative ways to proceed are being discussed
Should Community trade marks take the lead instead?

• Why not?
• While the Community patent system, in spite of its early conception, is still struggling to come through, the CTM system is alive and thriving
• While the present situation may hold some tactical advantages for those who know how to play the game, its inconsistencies are unsatisfactory in the long run
• After a successful start in the trade mark (and design) field, the CTM Judiciary could develop into a general Community IP Court
What would it look like? – Some speculative remarks

• As proposed in the patent field, a CTM Judiciary should have competence in infringement as well as invalidity matters.

• Unlike the present proposal for a CP Judiciary, concentration of 1st instance proceedings in Luxembourg (or any other single place) is definitely no option.

• Languages pose less problems than in patent law, but none can be excluded.

• „Technical judges“ would be superfluous, but regular consultation with experts from practice could prove valuable.
What would be the role of national courts?

- National courts should retain competence for preliminary measures with regard to CTMs
- National courts would remain competent with regard to national marks
- However, ways should be investigated to tighten the legal framework in order to ensure that contradictory decisions of CTM and national courts regarding the same subject matter don't occur, with general precedence granted to Community courts
- The issue raises numerous issues of IP, procedural and constitutional law that must be elaborated thoroughly
- A challenge for a joint academic/practical enterprise!
Thank you for your attention