

Croatia joins the EU in July 2013: What does that mean for brand owners?

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On 1 July 2013, Croatia will join the European Union (EU), increasing the number of Member States in the EU from 27 to 28.

The effects of enlargement upon the Community trade mark ("CTM") and registered Community design ("RCD") systems are the same as for the previous enlargements in May 2004 and January 2007.

One of the most important effects of the EU expansion for IP owners is the impact on current and future IP rights. In this note we discuss the full implications for brand owners operating in the EU.

Points to consider for brand owners

- Brand owners who intend to file a CTM or RCD, which may be vulnerable to attack by national rights holders in Croatia, should consider filing an application before 31 December 2012 to avoid the possibility of an opposition or invalidity action by national right holders.
- Holders of a national right in Croatia should be aware that an extended CTM/RCD may create a conflict with those existing rights post-accession and therefore brand owners may want to monitor the CTM register to identify any potential conflicts.
- Similarly, brand owners holding CTMs or RCDs who wish to use their mark or design in Croatia, should consider carrying out local searches to determine if any earlier national rights exist that could prevent their extended CTM/RCD from being used in Croatia.
- If brand owners have both a CTM and a Croatian national mark, it is worth considering whether the Croatian national mark needs renewing post the accession and may wish to claim seniority as a way of maintaining rights arising from their Croatian national mark.
- Brand owners who currently use an EU Customs notice to protect against the cross-border trade in infringing goods may wish to consider including Croatia within their notice next year and, if they currently maintain a separate national notice in Croatia, whether to continue with the national notice. We will provide more information on this nearer the accession date.

Existing CTMs/RCDs filed before 1 July 2013

CTM and RCD registrations and applications filed before or claiming priority before 1 July 2013 will be extended to Croatia and will be termed an "extended CTM or RCD". Extension will happen automatically at 0.00 hours on 1 July 2013 without the need for the holder to take any action. The CTM/RCD will then have equal effect in Croatia.

Although Croatian will become a recognised CTM language from 1 July 2013, extended CTMs and RCDs will be neither translated nor published in Croatian.

Extended CTMs/RCDs filed between 1 January 2013 and 30 June 2013

- Refusal, Opposition or Cancellation of extended CTMs/RCDs

All CTM and RCD applications filed in the 6 month period before accession, i.e. between 1 January 2013 and 30 June 2013, may be subject to opposition and invalidity proceedings, respectively, based on earlier Croatian national rights.

If the opposition or invalidity action is successful, the CTM or RCD will fail in all 28 Member States, owing to the unitary character of the CTM and RCD systems.

It will not be possible to contest the registrability of an extended CTM application on the basis of an absolute ground which only applies because of the accession of Croatia. For example: an extended CTM cannot be refused for registration on the basis that it has a descriptive meaning in Croatian.

These "grandfather rights" also apply post-registration whereby the extended CTM/RCD may only be revoked or invalidated on the basis of a ground that was valid before 1 July 2013, and cannot be revoked or invalidated on the basis of grounds that become applicable merely because of Croatia's accession.

- Risk of infringement

An earlier national rights holder may prohibit the use of an extended CTM/RCD in Croatia provided these earlier rights (i) were applied for or acquired prior to the date of accession of Croatia and (ii) were acquired in good faith.

CTMs/RCDs filed before 1 July 2013

All CTM or RCD applications filed on or after 1 July 2013 will cover all 28 jurisdictions. From this point it will be possible to raise absolute grounds of objection at the CTM Examination stage or raise objections against a CTM based on relative grounds by way of opposition (where they apply) or invalidate a RCD.

Applications filed on or after this date may be filed in Croatian and OHIM will translate CTM/RCD applications into Croatian according to its normal practice.

Customs Notices

Details of how the accession of Croatia will impact EU-wide Customs notices have yet to be announced by the Commission. However, it seems most likely that existing EU Customs notices will not be extended automatically to cover Croatia; rights holders should, therefore, consider whether they will want to bring Croatia within their pan-EU Customs enforcement programmes. We will report separately on the mechanics of such changes in the course of next year.

If you would like to discuss any aspect of this EU enlargement and its implication for your IP assets, please contact **Yvonne Onomor** or **Jessica Le Gros**.



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