EU trade mark

2013/0088(COD) - 27/03/2013 - Legislative proposal

PURPOSE: to foster innovation and economic growth by making trade mark registration systems all over the EU more accessible.

PROPOSED ACT: Regulation of the European Parliament and of the Council (amending Council Regulation No (EC) 207/2009).

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: in an increasingly competitive environment, the growing number of trade mark applications at both national and EU levels, and the growing number of trade mark users demonstrates the **crucial role of trade marks** in terms of market success and commercial value. This development has been accompanied by growing expectations on the part of stakeholders for **more streamlined and high-quality trade mark registration systems**, which are more consistent, publicly accessible and technologically up-to-date.

In its 'Small Business Act' of 2008, the Commission pledged to make the Community trademark system more accessible to SMEs. Furthermore, in its 2008 Communication on an Industrial Property Rights Strategy for Europe the Commission underlined its commitment to effective and efficient trademark protection and to a trademark system of high quality. It concluded that it was time for an overall evaluation, which could form the basis for a **future review of the trademark system** in Europe and for the further improvement of cooperation between the Office for Harmonisation in the Internal Market (OHIM) and National Offices.

Lastly, in its 2011 Intellectual Property Rights Strategy for Europe, the Commission announced a review of the trade mark system in Europe with a view to modernising the system, both at EU and at national level, by making it more effective, efficient and consistent overall. The Council has also called on the Commission to present proposals for the revision of Regulation (EC) No 207/2009 and Directive 2008/95 /EC.

IMPACT ASSESSMENT: the impact assessment identified **one main problem** that the revised Regulation needs to address: **the low level of cooperation among trade mark offices in Europe.** The following options were considered to solve the problems and to achieve three corresponding objectives.

- ***Providing an adequate legal basis for cooperation:*** *Option 1*: no specific legal basis; *Option 2:* legal basis allowing optional cooperation; *Option 3:* legal basis obliging mandatory cooperation.

- ***Technical capacity building at National Offices***: *Option 1*: each office to procure and develop the required facilities and tools; *Option 2*: optional access to tools; *Option 3:* mandatory access to tools.

- ***Securing long-term financing for cooperation activities***: *Option 1*: from Member States; *Option 2:* from EU budget; *Option 3:* from OHIM budget.

The impact assessment concluded that **option 3** (legal basis obliging mandatory cooperation, mandatory access to tools, and financing from OHIM budget) would in all cases be proportionate and best suited to achieving the objectives pursued.

LEGAL BASIS: Article 118 (1) of the Treaty on the Functioning of the European Union (TFEU).

CONTENT: the main common objective of this initiative and of the parallel proposal for the recast of Directive 2008/95/EC is to foster innovation and economic growth **by making trade mark registration systems all over the EU more accessible and efficient** in terms of lower costs and complexity, increased speed, greater predictability and legal security.

As regards **this proposal to revise the Regulation**, the Commission is not proposing a new system, but **well-targeted modernisation of existing provisions**, with the main aims being:

1) Adapting the terminology in the Regulation to the Lisbon Treaty and adapting provisions to the Common Approach on decentralised agencies: throughout the Regulation, the term 'Community trade mark' is replaced by 'European trade mark'. The term "Office", insofar as it refers to the Office for Harmonisation in the Internal Market, is replaced by the term 'Agency'.

2) Streamlining procedures to apply for and register a European trade mark:

- since National Offices hardly ever receive applications for European trade marks any more, the option for filing these at National Offices should be abolished;
- with regard to the filing date, it is proposed to abolish the one-month period and to link the 'obligation' to pay with the filing of the application, so that applicants will have to provide evidence that they submitted or authorised their payment when they filed their application;
- current search regimes are abolished, in view of the fact that they do not provide a reliable trade mark clearance tool;
- the current one-month period between the Agency notifying the applicant of search reports and publication of the application is abolished, which will speed up the registration procedure.

3) Increasing legal certainty by clarifying provisions and removing ambiguities:

- the proposed new definition of a European trademark leaves the door open to registering matter that can be represented by technological means offering satisfactory guarantees;
- the absolute grounds for refusal are fully aligned with the EU law on geographical indications;
- it is clarified that infringement claims are without prejudice to earlier rights;
- in cases of both double identity and similarity, it is only the origin function which matters;
- in accordance with the rulings of the Court of Justice, it is appropriate to treat trade name use of a protected trade mark as an infringing act, if the requirements of use for goods or services are met;
- the trade mark owner may prevent the use of his trade mark in comparative advertising where such comparative advertising does not satisfy the requirements of Directive 2006/114/EC;
- it is clarified that goods may not be imported into the EU even if only the consignor is acting for commercial purposes.

- bearing in mind the outcome of the Philips/Nokia judgment, the proposal entitles right holders to stop third parties from bringing goods, from third countries, bearing an unauthorised trade mark which is essentially identical to the trade mark registered in respect of those goods, into the customs territory of the Union, regardless of whether they are released for free circulation;

Other amendments concern the following provisions: limitation of the effects of a European trademark; designation and classification of goods and services; European certification marks, and tasks of the Agency, which are defined in one new Article.

4) Establishing an appropriate framework for cooperation between OHIM and national offices to promote convergence of practices and developing common tools: the proposal contains provisions for mandatory cooperation between the Agency and Member States, and stipulates the main areas for cooperation and specific common projects of Union interest which the Agency will coordinate. It further sets up a funding mechanism enabling the Agency to finance those common projects by means of grants.

5) Aligning the framework to Article 290 of the Treaty on the Functioning of the European Union (TFEU).

BUDGETARY IMPLICATIONS: the proposal has no implications for the EU budget.

DELEGATED ACTS: the proposal contains provisions empowering the Commission to adopt delegated acts in accordance with Article 290 of the Treaty on the Functioning of the European Union.