

Trade marks: approximation of the laws of the Member States. Recast

2013/0089(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: Directive of the European Parliament and of the Council (recast of Directive 2008/95/EC).

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 carried out for both the review of the Regulation and of the Directive identified two main problems: (i) the divergent provisions of the existing regulatory framework, and (ii) the low level of cooperation between trade mark offices in the Union. **Four options** were envisaged.

- **Option 1:** no further approximation of trade mark laws and procedures;
- **Option 2:** Partial expansion of the approximation of national laws and their consistency with the Community trade mark system;
- **Option 3:** full approximation of national trade mark laws and procedures;
- **Option 4:** a single trademark rulebook, which would replace Member States' trade mark laws in their entirety, by setting uniform rules across the Union.

The impact assessment concluded that **option 2** would be proportionate and would best serve to achieve the objectives pursued.

LEGAL BASIS: Article 114 (1) of the Treaty on the Functioning of the EU (TFEU).

CONTENT: the main common objective of this proposal for recasting and of the parallel proposal for the [amendment of the Regulation](#) is to foster innovation and economic growth **by making trade mark registration systems all over the EU more accessible and efficient** for businesses in terms of lower costs and complexity, increased speed, greater predictability and legal security.

Specifically, the initiative to recast the Directive is driven by the following objectives:

1) Modernising and improving the existing provisions of the Directive. This will be achieved by amending outdated provisions, increasing legal certainty and clarifying trade mark rights in terms of their scope and limitations:

- the proposed new definition does not restrict the permissible means of representation to graphic or visual representation but leaves the door open to register matter that can be represented by technological means offering satisfactory guarantees;
- the proposal makes it clear that infringement claims are without prejudice to earlier rights;
- it is clarified that 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 made clear that the importing of goods into the Union is also prohibited where it is only the consignor who acts 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;
- there are provisions allowing proceedings against the distribution and sale of labels and packaging and similar items which may subsequently be combined with illicit products.

2) Achieve greater approximation of national trade mark laws and procedures with the aim of making them more consistent with the Community trade mark system, by (a) adding further substantive rules and (b) introducing principal procedural rules into the Directive in accordance with provisions contained in the Regulation. In this regard, it is proposed, *inter alia*:

- to insert provisions relating to geographical indications, traditional terms for wine and traditional specialities guaranteed in the Directive;

- to ensure that, in all Member States, national trade marks with reputation enjoy the same level of protection as that afforded to Community trade marks;
- to complement the Directive with a corresponding body of rules addressing trade marks as objects of property as contained in the Regulation;
- to provide for a set of specific provisions for the registration and protection of collective marks.

3) **Facilitate cooperation between the offices of the Member States and OHIM** for the purpose of promoting convergence of practices and the development of common tools, by putting in place a legal basis for this cooperation.

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