EU trade mark

2013/0088(COD) - 12/02/2014 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Legal Affairs adopted the report by Cecilia WIKSTRÖM (ALDE, SE) on the proposal for a regulation of the European Parliament and of the Council amending Council Regulation (EC) No 207 /2009 on the Community trade mark.

The parliamentary committee recommended that the European Parliament's position adopted at first reading under the ordinary legislative procedure should be to amend the Commission's proposal as follows:

European Union trade mark: given that the term 'European' applies to an area larger than the territory of the European Union, Members proposed to replace the term 'European trade mar' by the term ' **European Union trade mark**'.

The name 'European Union Trade Marks and Designs Agency' was replaced by '**European Union Intellectual Property Agency**'.

Signs likely to constitute a European Union trade mark: it is stipulated that the representation can be **in any form** so long as it uses generally available technology. The sign should be capable of being represented in the register in a manner which is clear, precise, self-contained, easily accessible, durable and objective.

A sign should therefore be permitted in any appropriate form, taking account of generally available technology which enables the competent authorities and the public to determine with precision and clarity the subject matter of protection.

Absolute grounds for refusal: with regard to geographical indications covered by Regulation (EC) No 110/2008 of the European Parliament and the Council, Members also proposed to include spirit drinks. Members considered that the proposal should contribute to improving the performance of the entire registration system and to ensure that trade marks are not registered where there are absolute grounds for refusal, including, in particular, where the trade mark is descriptive or non-distinctive, or of such a nature as to deceive the public, for instance as to the nature, quality or geographical origin of the goods or service.

To these ends, third parties should be able to submit to the central industrial property offices of the Member States written observations explaining which of the absolute grounds constitute an obstacle to registration.

Combating counterfeiting: Members considered that this provision should not harm the interests of legitimate trade in goods that can lawfully be placed on the market in their destination countries. In order not to hamper legitimate flows of goods, this provision should therefore not apply if the third party proves that the final destination of the goods is a country outside the Union and if the proprietor of the European Union trade mark is not able to prove that his trade mark is also validly registered in that country of final destination.

Where the country of final destination has not yet been determined, the proprietor of the European Union trade mark should have the right to prevent all third parties from bringing the goods out of the Union again unless the third party proves that the final destination of the goods is a country outside the Union and the proprietor of the European Union trade mark is not able to prove that his trade mark is also validly registered in that country of final destination.

Small consignments: in order to more effectively prevent the entry of counterfeit goods, particularly in the context of **sales over the internet** delivered in small consignments, the proprietor of a validly registered trade mark should be entitled to prohibit the importing of such goods into the Union where it is only the consignor of the counterfeit goods who acts in the course of trade.

In cases where such measures are taken, Member States should ensure that the individuals or entities that had ordered the goods are informed of the reason for the measures as well as of their legal rights *vis-a-vis* the consignor.

Limitation of the effects of a European Union trade mark: the amended text stipulates that the trade mark should not entitle the proprietor (i) to prohibit a third party from using the trade mark for a due cause for any non-commercial use of a mark; (ii) to prohibit a third party from using, in the course of trade, an earlier right which only applies in a particular locality if that right is recognised by the laws of the Member State in question and within the limits of the territory in which it is recognised.

Fees: the fees structure is an important element of the EU trade mark system and should therefore be **directly regulated in the Regulation** and not by means of delegated acts.

Priority claims: Members consider that the formal conditions of the application should not be entirely left to delegated acts. Some basic rules should be directly established in the basic act. In particular, it is stipulated that only the formal content of the application can be specified by delegated acts, not the content in terms of substance.

Revocation: the changes that the Commission proposed would have the effect of impeding proprietors of European Union trade marks attacked in cancellation proceedings for non-use asking for their conversion into one or several national marks before a decision on the cancellation is taken. The same provision should be extended to cases where the European Union trade mark is the object of an action for a declaration of invalidity.

Management Board: the Management Board should be composed of one representative of each Member State**,** two representatives of the Commission and **one representative of the European Parliament** and their respective alternates.

The provisions regarding the Executive Board were deleted. Members considered that there was no convincing evidence that such an Executive Board would provide additional efficiency in this agency.

Members also proposed that the Executive Director should be appointed by the Management Board from a list of at least three candidates proposed by a pre-selection committee of the Management Board composed of representatives of the Member States, of the Commission and of the European Parliament.

Mediation and arbitration centre: the report proposed the creation of a mediation and arbitration centre which is independent of the decision-making instances. The centre shall establish a register of mediators and arbitrators who help parties to resolve disputes.