EU trade mark

2013/0088(COD) - 25/02/2014 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 551 votes to 83 with 17 abstentions, a legislative resolution 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.

Parliament's position adopted at first reading under the ordinary legislative procedure amended 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 'Community trade mark' 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 amongst the grounds for refusing registration.

Rights conferred by the EU trade mark: 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 text states that the proprietor of a validly registered European Union 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.

With the aim of strengthening trade mark protection and combating counterfeiting more effectively, and **without prejudice to WTO rules**, in particular Article V of the GATT on freedom of transit, the proprietor of a European Union trade mark should be entitled to prevent third parties from bringing goods into the customs territory of the Union without being released for free circulation there, where such goods come from third countries and bear without authorisation a trade mark which is essentially identical to the European Union trade mark registered in respect of such goods. This should be **without prejudice to the smooth transit of generic medicines**, in compliance with the international obligations of the European Union, in particular as reflected in the 'Declaration on the TRIPS agreement and public health' adopted by the Doha WTO Ministerial Conference on 14 November 2001.

Limitation of the effects of a European Union trade mark: a European Union trade mark shall not entitle the proprietor to prohibit a third party from using the trade mark for the purpose of identifying goods or services as those of the proprietor of the trade mark, in particular where the use of the trade mark:

- is made in comparative advertising satisfying all conditions set forth in Directive 2006/114/EC;
- is made to bring to the attention of consumers the resale of genuine goods that have originally been sold by or with the consent of the proprietor of the trade mark;
- is made to put forward a legitimate alternative to the goods or services of the proprietor of the trade mark;
- is made for the purposes of parody, artistic expression, criticism or comment.

Furthermore, 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.

Amendment of the register: the text states that where the register is amended, the exclusive rights conferred by the European Union trade mark shall not prevent any third party from continuing to use a trade mark in relation to goods or services where and to the extent that the use of the trade mark for those goods or services commenced before the register was amended.

In addition, the amendment of the list of goods or services recorded in the register shall not give the proprietor of the European Union trade mark the right to oppose or to apply for a declaration of invalidity of a later trade mark where and to the extent that the later trade mark was either in use, or an application had been made to register the trade mark, for goods or services before the register was amended, and the use of the trade mark in relation to those goods or services did not infringe the proprietor's rights based on the literal meaning of the record of the goods and services in the register at that time.

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.

Interruption of proceedings: Members wanted to set out in the basic act the rules regarding

Interruption of proceedings before the Agency.

Common projects: the proposal provided for a framework of cooperation between the Agency and Member States' offices, which defined essential areas of cooperation and allowed the Agency to

coordinate in these areas certain common projects of interest to the Union and Member States. Parliament felt that it should **not be mandatory for Member States to implement the results of such common projects.**

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