EU trade mark

2013/0088(COD) - 12/11/2015 - Council position

The Council adopted its position in first reading regarding **reform of the Community trademark system** . This reform includes a proposal for a directive to approximate the laws of the Member States on trademarks as well as a parallel proposal amending Regulation (EC) No 207/2009 on the Community trademark. The reform aims 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.

With respect to the **Council's position on the amendment of the Regulation on the Community trademark,** the following main points have been integrated into the new system:

- the adaptation of terminology to the requirements of the Lisbon Treaty (change from 'Community trade mark' to '**European Union trade mark'**);
- re-naming the Office for Harmonization in the Internal Market (Trade marks and Designs) (OHIM) to **European Union Intellectual Property Office** ('Office');
- a new structure setting out a **lower level of fees** for applications for trademarks and holders of trademarks. The fees will be fixed directly in Regulation (EC) No 207/2009 in the form of an annex, at a level ensuring that: (i) the revenue they produce is in principle sufficient for the budget of the Office to be balanced; (ii) there is **coexistence and complementarity between the EU trade mark and the national trade mark systems**, taking into account the size of the market covered by the EU trade mark and the needs of small and medium-size enterprises; and (iii) the rights of proprietors of an EU trade mark are enforced efficiently in the Member States;
- the provision of an **offsetting mechanism** enabling Member States to recoup their expenses arising from the provision of services and procedures related to the enforcement of the European Union trade mark. The overall offsetting of the costs will correspond to 5 % of the yearly revenue of the Office, with the option of doubling this amount in case of a budgetary surplus;
- strengthening **cooperation between national offices and the Office** to promote convergence of practices and tools in the field of trade marks and designs. The total amount of funding shall not exceed 15 % of the yearly revenue of the Office;
- streamlining **technical provisions** concerning searches, publication of the application, observations by third parties, revision of decisions inter partes, continuation of proceedings, opposition period for international registrations;
- improvements in the **governance structure** and implementation of strict financial procedures by the Office;
- implementation by national offices of **quick and efficient administrative procedures** in cases of forfeiture or nullity of a trademark ;
- extension of the **absolute grounds for refusal** to cover designations of origin, geographical indications, traditional terms for wine, traditional specialities guaranteed and plant variety rights;
- extension of the relative grounds for refusal to cover designations of origin and geographical indications;
- the entitlement of European Union trade mark holders to prevent the distribution and sale of labels and packaging and of similar items which may subsequently be used in relation to infringing goods or services;
- an explicit provision ensuring that European Union trade mark rights cannot be invoked against prior rights on the mark;
- the extension of European Union trade mark protection to cover the use of the mark in trade or company names;

- clarification that the right to prevent third countries goods into the customs territory of Member States will lapse if the declarant or the holder of the goods in question proves that the trade mark holder is not entitled to prohibit the placing of the goods on the market in the country of final destination;
- comprehensive provisions regarding the designation and classification of goods and services in accordance with the case law of the Court of Justice;
- the introduction of the possibility to obtain a **European Union certification mark;**
- providing the Office with the possibility of establishing a Mediation Centre;

- the appointment of the **Executive Director** for a period of five years by the Council by simple majority, from a list of candidates proposed by the Management Board, following an open and transparent selection procedure;
- the alignment of the Regulation to Article 290 TFEU, with a preference for incorporating into the basic act as many provisions as practicable, including the provisions setting the level of fees.