EU trade mark

2013/0088(COD) - 24/11/2015 - Commission communication on Council's position

The Commission **gave its opinion on the position of the Council** on the adoption of a Regulation of the European Parliament and of the Council amending Council Regulation (EC) No 207/2009 on the Community trade mark.

The proposal for a Regulation aims at:

- streamlining procedures to apply and register an EU trade mark;
- modernising and improving the current provisions;
- establishing an appropriate framework for cooperation between OHIM and national offices for the purpose of promoting convergence of practices and developing common tools;
- updating the governance of OHIM;
- adapting Regulation 207/2009 to the Lisbon Treaty;
- resolving key issues pertaining to the financial equilibriums within the EU trade mark system.

Despite concerns related to certain budgetary aspects of the compromise, **the Commission can support the compromise reached**, especially those changes which strengthen the position of trade mark holders and have the effect of providing greater legal certainty in the application of the law on trade marks.

The Council's position in first reading **encompasses a significant number of amendments introduced by the European Parliament**, including those required by parallel changes in Directive 2008/95. These amendments aimed to:

- **complement the transitional period** in the Proposal for a Regulation which adjusts the specifications of EU trade marks filed before the change in classification practice in the light of the case law of the Court of Justice by providing safeguards to third parties that had filed trade mark applications in the meantime;
- **set the amount of fees payable to the OHIM** which is currently addressed in Commission Regulation (EC) No 2869/95 directly in Regulation 207/2009 itself in the form of an Annex;
- **change the name of the agency** to "European Union Intellectual Property Office". The Commission regrets that the new name does not represent the actual core activity and does not adequately reflect the fact that the "Office" is an "agency" of the EU. On the other hand, although the Commission can endorse the idea supported by the co-legislators to set up a mediation centre within the agency, it would prefer that its tasks do not extend to arbitration activities.

As regards the **new cooperation framework** between national intellectual property offices and the EU agency, the Commission approved the amendments aiming to:

- make this cooperation **mandatory**, however, by giving national offices the possibility to opt-out in certain circumstances and to ensure a close consultation of trade mark users on the projects developed in this context;
- increase the maximum amount of budget allocated to this activity to **15% of the annual revenues of the agency**, while the European Parliament had supported an increase to 20%.

With respect to the **governance of the agency**, while the Commission regrets that the Council followed the European Parliament's view and deleted the provisions in the Proposal for a Regulation allowing for the setting up of an Executive Board, it supports the **new composition of the Management Board** including a representative of the European Parliament.

As regards the **European Parliament amendments not included in Council position** at first reading, the Commission:

- regretted the deletion of a procedure from the proposal on the selection and appointment of the Director of OHIM. It stated that this should not be considered as a precedent for future reforms of other EU agencies;
- welcomed, on the other hand, the fact that the Council did neither take on board the European Parliament's proposal to maintain the current provision in Regulation 207/2009 allowing the Director of the agency to make proposals to amend the Regulation, nor to formally attribute the nomination powers to the Director instead of the Management Board;
- supported the Council's opposition to further complementing limitations of the effects of a trade mark as favoured by the European Parliament whilst accepting the final compromise of adding clarifying language in the relevant recital to address in particular the issue of fundamental rights and freedoms including artistic expression;
- supported the Council's deletion of the relevant provision on the import of small consignments.

As regards the **new provisions introduced by the Council**, the Commission:

- agreed on a compromise solution with respect to the **provision on goods in transit**, whereby the right to prevent goods being brought into the EU territory shall lapse if the declarant/holder of the goods is able to show before the competent court that the trade mark proprietor is not entitled to prohibit the placing of the goods on the market of the country of final destination;
- supported the Council's position to adopt new amounts of fees payable to the OHIM (to be set in an Annex to Regulation 207/2009) with the aim of **bringing renewal fees down to the same level of application fees**;
- accepted the addition of a new legal basis **to offset Member States for costs incurred by their national offices** as a functional part of the EU trade mark system;
- approved the re-introduction of a provision, originally proposed by the Commission and deleted by the European Parliament, which permits to **transfer a budgetary surplus of the OHIM to the EU budget**. While the Commission fully endorsed the principle of such a transfer, it regretted that the conditions established by the Council are likely to heavily limit the scope of application of this new provision in practice;
- regretted the introduction by the Council of provisions on **the use of implementing acts and on the respective committee procedures** for their adoption as this would require the use of the ordinary legislative procedure even for small technical changes.

In a statement on certain budgetary aspects of the Agreement, the Commission regretted in particular that the co-legislators have been unable to agree on one of the key elements of its proposal concerning the budget of the OHIM: the automatic review of the level of the fees in case of significant recurrent surplus and the automatic transfer of such surplus to the EU budget.

The Commission will continue to **review the level of the fees charged by the OHIM** in view of proposing to adjust them as closely as possible to the costs of the services provided to the industry and of preventing the accumulation of significant surpluses within the OHIM.

Moreover, in line with the principle of administrative autonomy, the Commission will pursue all appropriate means to ensure that these agencies, Institutions and bodies effectively bear such costs or that they refund the EU budget of these costs.