# EU trade mark

2013/0088(COD) - 16/12/2015 - Final act

PURPOSE: to reform the EU trade mark system with a view to making trade mark registration systems throughout the European Union more accessible and efficient in order to foster innovation and economic growth.

LEGISLATIVE ACT: Regulation (EU) 2015/2424 of the European Parliament and of the Council amending Council Regulation (EC) No 207/2009 on the Community trade mark and Commission Regulation (EC) No 2868/95 implementing Council Regulation (EC) No 40/94 on the Community trade mark, and repealing Commission Regulation (EC) No 2869/95 on the fees payable to the Office for Harmonization in the Internal Market (Trade Marks and Designs).

CONTENT: this Regulation amends Regulation (EC) No 207/2009 on the Community trade mark as well as the parallel directive to the recast of Directive 2008/95/EC creating a **new legal framework** for the reform of the current trademark system whose aim is to strengthen trade mark protection and combat counterfeiting more effectively.

The new legal framework is also aimed at encouraging innovation and economic growth by making trade mark registration systems all over the European Union **more accessible and efficient for businesses** in terms of **lower costs and complexity**, increased speed, greater predictability and legal certainty.

**Adjustments to terminology**: the amending Regulation replaces 'Community trade mark' by 'European Union trade mark'. In order to better reflect the actual work carried out by the Office for Harmonization in the Internal Market (trade marks and designs), its name should be replaced by '**European Union Intellectual Property Office'** ('the Office').

**Signs of which an EU trade mark may consist**: in order to allow for more flexibility while also ensuring greater legal certainty with regard to the means of representation of trade marks, the Regulation **deletes the requirement of graphic representability from the definition of an EU trade mark.** A sign should be permitted to be represented **in any appropriate form using generally available technology**, and thus not necessarily by graphic means, as long as the representation is clear, precise, self-contained, easily accessible, intelligible, durable and objective.

**Extension of the grounds of absolute refusal**: the Regulation extends the scope of those absolute grounds to cover also protected traditional terms for wine and traditional specialities guaranteed.

**Legal certainty**: in order to ensure legal certainty and full consistency with the principle of priority, under which a registered earlier trade mark takes precedence over later registered trade marks, the Regulation provides that the enforcement of rights conferred by an EU trade mark should be without prejudice to the rights of proprietors acquired prior to the filing or priority date of the EU trade mark.

**Rights conferred by an EU trade mark**: the registration of an EU trade mark shall confer on the proprietor exclusive rights therein. The proprietor of that EU trade mark may prohibit: (i) affixing the sign to the goods or to the packaging thereof; (ii) importing or exporting the goods under the sign; (iii) using the sign as a trade or company name or part of a trade or company name; (iv) using the sign in **comparative advertising** in a manner that is contrary to Directive 2006/114/EC.

Furthermore, the proprietor should not be entitled to prevent the **fair** and honest use of the EU trade mark for the purpose of identifying or referring to the goods or services as those of the proprietor and therefore being in accordance with honest practices in industrial and commercial matters.

**Combatting counterfeiting**: the Regulation stipulates that the proprietor of an EU trade mark should be entitled to prevent third parties from bringing goods, in the course of trade, into 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 identical or essentially identical with the EU trade mark registered in respect of such goods. The entitlement of the proprietor of an EU trade mark shall **lapse** if evidence is provided by the declarant or the holder of the goods that the proprietor of the EU trade mark is not entitled to prohibit the placing of the goods on the market in the country of final destination.

**Goods and services protected by the EU trademark**: the new Regulation includes rules for the **designation and classification of goods and services** in Regulation (EC) No 207/2009 in accordance with the case-law of the Court of Justice of the European Union.

It also adds a set of specific provisions for the purpose of providing protection to **European Union certification marks** ('EU certification marks') which allow a certifying institution or organisation to permit adherents to the certification system to use the mark as a sign for goods or services complying with the certification requirements.

**Procedural provisions**: the Regulation provides for the implementation of **efficient and expeditious** administrative procedures by the national offices for revocation or declaration of invalidity of trade marks. It introduces provisions to **streamline** technical measures as regards the regime of EU and national trade mark searches, the publication of the application, the observations by third parties, review of the *inter partes* procedure, the rules governing the calculation and duration of time limits for the opposition of international registrations.

**Fees to be paid by applicants and proprietors of trade marks**: the Regulation sets out the fee amounts directly in Regulation (EC) No 207/2009 in the form of an **annex**. The amounts of the fees should be fixed at a level which ensures 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, also taking into account the size of the market covered by the EU trade mark and the needs of small and medium-sized enterprises; and third, the rights of proprietors of an EU trade mark are enforced efficiently in the Member States.

**Offsetting mechanism**: the setting up of an offsetting mechanism to **cover expenses** incurred by national industrial property offices resulting from the handling of procedures involving EU trade marks. **5%** of the Office for Harmonization in the Internal Market (OHIM) annual revenue is foreseen for the offsetting mechanism, with the possibility of increasing this amount by another 5% in case of a substantive budgetary surplus.

**Cooperation between the national offices and the Office**: the Regulation establishes an appropriate framework for cooperation between the Office and the industrial property offices of the Member States, including the Benelux Office for Intellectual Property, defining key areas of cooperation and enabling the Office to coordinate relevant common projects of interest to the Union and the Member States and to finance, up to a maximum amount, those projects. That financial support may take the form of grants and in-kind contributions. The total amount of funding shall not exceed 15 % of the yearly revenue of the Office.

**Governance**: new provisions enhance the governance structure and provide for the establishment of sound financial procedures within the Office. The **Executive Director** shall be appointed by the Council

by simple majority, from a list of candidates proposed by the Management Board, following an open and transparent selection procedure. The term of office of the Executive Director shall be five years.

ENTRY INTO FORCE AND APPLICATION: 23.03.2016.

DELEGATED ACTS: the Commission shall be empowered to adopt delegated acts specifying the detailed arrangements of the Regulation. The power to adopt delegated acts shall be conferred on the Commission for an **indeterminate period of time from 23 March 2016.** The European Parliament or the Council may formulate objections with regard to the delegated act within a period of two months of its notification (this period may be extended by two months). If the European Parliament and the Council object, the delegated act may not enter into force.