Basic information

2013/0088(COD) COD - Ordinary legislative procedure (ex-codecision procedure) Regulation	Procedure completed
EU trade mark Amending Regulation (EC) No 207/2009 2006/0267(CNS) See also 2013/0089(COD) **Subject** 2.10.03 Standardisation, EC/EU standards and trade mark, certification, compliance 3.50.15 Intellectual property, copyright 3.50.16 Industrial property, European patent, Community patent, design and pattern	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
JURI Legal Affairs	WIKSTRÖM Cecilia (ALDE)	24/04/2013
	Shadow rapporteur ANDERSSON Max (Verts /ALE) KARIM Sajjad (ECR) MAŠTÁLKA Jiří (GUE/NGL)	

Former committee responsible	Former rapporteur	Appointed
JURI Legal Affairs	WIKSTRÖM Cecilia (ALDE)	24/04/2013

Former committee for opinion	Former rapporteur for opinion	Appointed
INTA International Trade	CUTAȘ George Sabin (S&D)	25/04/2013
ITRE Industry, Research and Energy	The committee decided not to give an opinion.	
IMCO Internal Market and Consumer Protection	BASTOS Regina (PPE)	29/05/2013

Council configuration	Meetings	Date

Council of the European Union	Economic and Financial Affairs ECOFIN	3421	2015-11-10
	Competitiveness (Internal Market, Industry, Research and Space)	3317	2014-05-26
	Competitiveness (Internal Market, Industry, Research and Space)	3276	2013-12-03
	Agriculture and Fisheries	3402	2015-07-13

	Commission DG	Commissioner
European Commission	Internal Market, Industry, Entrepreneurship and SMEs	BIEŃKOWSKA Elżbieta

Key events

Date	Event	Reference	Summary
27/03/2013	Legislative proposal published	COM(2013)0161	Summary
16/04/2013	Committee referral announced in Parliament, 1st reading		
03/12/2013	Debate in Council		
17/12/2013	Vote in committee, 1st reading		
12/02/2014	Committee report tabled for plenary, 1st reading	A7-0031/2014	Summary
24/02/2014	Debate in Parliament		
25/02/2014	Decision by Parliament, 1st reading	T7-0118/2014	Summary
25/02/2014	Results of vote in Parliament		
26/05/2014	Debate in Council		Summary
25/09/2014	Committee decision to open interinstitutional negotiations after 1st reading in Parliament		
16/06/2015	Approval in committee of the text agreed at early 2nd reading interinstitutional negotiations		
12/11/2015	Council position published	10373/1/2015	Summary
26/11/2015	Committee referral announced in Parliament, 2nd reading		
03/12/2015	Vote in committee, 2nd reading		
07/12/2015	Committee recommendation tabled for plenary, 2nd reading	A8-0354/2015	Summary
14/12/2015	Debate in Parliament		
15/12/2015	Decision by Parliament, 2nd reading	T8-0439/2015	Summary
15/12/2015	Results of vote in Parliament		
15/12/2015	End of procedure in Parliament		
16/12/2015	Final act signed		
24/12/2015	Final act published in Official Journal		

Technical information	
Procedure reference	2013/0088(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
Amendments and repeals	Amending Regulation (EC) No 207/2009 2006/0267(CNS) See also 2013/0089(COD)
Legal basis	Treaty on the Functioning of the European Union TFEU 118-p1
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	JURI/8/00927

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE516.715	31/07/2013	
Committee opinion	INTA	PE514.625	15/10/2013	
Specific opinion	JURI	PE521.700	16/10/2013	
Amendments tabled in committee		PE522.795	24/10/2013	
Committee opinion	IMCO	PE516.700	07/11/2013	
Committee report tabled for plenary, 1st reading/single reading		A7-0031/2014	12/02/2014	Summary
Text adopted by Parliament, 1st reading/single reading		T7-0118/2014	25/02/2014	Summary
Committee draft report		PE572.858	27/11/2015	
Committee recommendation tabled for plenary, 2nd reading		A8-0354/2015	07/12/2015	Summary
Text adopted by Parliament, 2nd reading		T8-0439/2015	15/12/2015	Summary

Council of the EU

Document type	Reference	Date	Summary
Council statement on its position	13511/2015	03/11/2015	
Council position	10373/1/2015	12/11/2015	Summary
Draft final act	00069/2015/LEX	16/12/2015	

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2013)0161	27/03/2013	Summary

Document attached to the procedure	SWD(2013)0095	27/03/2013	
Document attached to the procedure	SWD(2013)0096	27/03/2013	
Commission response to text adopted in plenary	SP(2014)446	20/05/2014	
Commission communication on Council's position	COM(2015)0589	24/11/2015	Summary

National parliaments

Document type	Parliament /Chamber	Reference	Date	Summary
Contribution	PT_PARLIAMENT	COM(2013)0161	29/05/2013	
Contribution	LU_CHAMBER	COM(2013)0161	03/06/2013	
Contribution	ES_PARLIAMENT	COM(2013)0161	07/06/2013	
Contribution	IT_SENATE	COM(2013)0161	31/03/2014	
Contribution	FR_ASSEMBLY	COM(2013)0161	05/08/2014	

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
EDPS	Document attached to the procedure	N7-0073/2014 OJ C 032 04.02.2014, p. 0023	11/07/2013	Summary

Additional information

Source	Document	Date
European Parliament	Briefing	
National parliaments	IPEX	
European Commission	EUR-Lex	

Final act

Corrigendum to final act 32015R2424R(02)
OJ L 110 26.04.2016, p. 0004

Corrigendum to final act 32015R2424R(05)
OJ L 267 30.09.2016, p. 0001

Corrigendum to final act 32015R2424R(01)
OJ L 071 16.03.2016, p. 0322

Regulation 2015/2424
OJ L 341 24.12.2015, p. 0021 Summary

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.

EU trade mark

2013/0088(COD) - 27/03/2013 - Legislative proposal

PURPOSE: to foster innovation and economic growth by making trade mark registration systems all over the EU more accessible.

PROPOSED ACT: Regulation of the European Parliament and of the Council (amending Council Regulation No (EC) 207/2009).

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: in an increasingly competitive environment, the growing number of trade mark applications at both national and EU levels, and the growing number of trade mark users demonstrates the **crucial role of trade marks** in terms of market success and commercial value. This development has been accompanied by growing expectations on the part of stakeholders for **more streamlined and high-quality trade mark registration systems**, which are more consistent, publicly accessible and technologically up-to-date.

In its 'Small Business Act' of 2008, the Commission pledged to make the Community trademark system more accessible to SMEs. Furthermore, in its 2008 Communication on an Industrial Property Rights Strategy for Europe the Commission underlined its commitment to effective and efficient trademark protection and to a trademark system of high quality. It concluded that it was time for an overall evaluation, which could form the basis for a **future review of the trademark system** in Europe and for the further improvement of cooperation between the Office for Harmonisation in the Internal Market (OHIM) and National Offices.

Lastly, in its 2011 Intellectual Property Rights Strategy for Europe, the Commission announced a review of the trade mark system in Europe with a view to modernising the system, both at EU and at national level, by making it more effective, efficient and consistent overall. The Council has also called on the Commission to present proposals for the revision of Regulation (EC) No 207/2009 and Directive 2008/95/EC.

IMPACT ASSESSMENT: the impact assessment identified **one main problem** that the revised Regulation needs to address: **the low level of cooperation among trade mark offices in Europe.** The following options were considered to solve the problems and to achieve three corresponding objectives.

- ***Providing an adequate legal basis for cooperation:*** *Option 1*: no specific legal basis; *Option 2:* legal basis allowing optional cooperation; *Option 3:* legal basis obliging mandatory cooperation.
- ***Technical capacity building at National Offices***: *Option 1*: each office to procure and develop the required facilities and tools; *Option 2*: optional access to tools; *Option 3:* mandatory access to tools.
- ***Securing long-term financing for cooperation activities***: *Option 1*: from Member States; *Option 2:* from EU budget; *Option 3:* from OHIM budget.

The impact assessment concluded that **option 3** (legal basis obliging mandatory cooperation, mandatory access to tools, and financing from OHIM budget) would in all cases be proportionate and best suited to achieving the objectives pursued.

LEGAL BASIS: Article 118 (1) of the Treaty on the Functioning of the European Union (TFEU).

CONTENT: the main common objective of this initiative and of the parallel proposal for the recast of Directive 2008/95/EC is to foster innovation and economic growth **by making trade mark registration systems all over the EU more accessible and efficient** in terms of lower costs and complexity, increased speed, greater predictability and legal security.

As regards **this proposal to revise the Regulation**, the Commission is not proposing a new system, but **well-targeted modernisation of existing provisions** , with the main aims being:

1) Adapting the terminology in the Regulation to the Lisbon Treaty and adapting provisions to the Common Approach on decentralised agencies: throughout the Regulation, the term 'Community trade mark' is replaced by 'European trade mark'. The term "Office", insofar as it refers to the Office for Harmonisation in the Internal Market, is replaced by the term 'Agency'.

2) Streamlining procedures to apply for and register a European trade mark:

- since National Offices hardly ever receive applications for European trade marks any more, the option for filing these at National Offices should be abolished;
- with regard to the filing date, it is proposed to abolish the one-month period and to link the 'obligation' to pay with the filing of the application, so that applicants will have to provide evidence that they submitted or authorised their payment when they filed their application;
- current search regimes are abolished, in view of the fact that they do not provide a reliable trade mark clearance tool;
- the current one-month period between the Agency notifying the applicant of search reports and publication of the application is abolished, which will speed up the registration procedure.

3) Increasing legal certainty by clarifying provisions and removing ambiguities:

- the proposed new definition of a European trademark leaves the door open to registering matter that can be represented by technological means offering satisfactory guarantees;
- the absolute grounds for refusal are fully aligned with the EU law on geographical indications;
- it is clarified that infringement claims are without prejudice to earlier rights;
- in cases of both double identity and similarity, it is only the origin function which matters;
- in accordance with the rulings of the Court of Justice, it is appropriate to treat trade name use of a protected trade mark as an infringing act, if the requirements of use for goods or services are met;
- the trade mark owner may prevent the use of his trade mark in comparative advertising where such comparative advertising does not satisfy the requirements of Directive 2006/114/EC;
- it is clarified that goods may not be imported into the EU even if only the consignor is acting for commercial purposes.
- bearing in mind the outcome of the Philips/Nokia judgment, the proposal entitles right holders to stop third parties from bringing goods, from third countries, bearing an unauthorised trade mark which is essentially identical to the trade mark registered in respect of those goods, into the customs territory of the Union, regardless of whether they are released for free circulation;

Other amendments concern the following provisions: limitation of the effects of a European trademark; designation and classification of goods and services; European certification marks, and tasks of the Agency, which are defined in one new Article.

4) Establishing an appropriate framework for cooperation between OHIM and national offices to promote convergence of practices and developing common tools: the proposal contains provisions for mandatory cooperation between the Agency and Member States, and stipulates the main areas for cooperation and specific common projects of Union interest which the Agency will coordinate. It further sets up a funding mechanism enabling the Agency to finance those common projects by means of grants.

5) Aligning the framework to Article 290 of the Treaty on the Functioning of the European Union (TFEU).

BUDGETARY IMPLICATIONS: the proposal has no implications for the EU budget.

DELEGATED ACTS: the proposal contains provisions empowering the Commission to adopt delegated acts in accordance with Article 290 of the Treaty on the Functioning of the European Union.

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.

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.

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.

EU trade mark

2013/0088(COD) - 07/12/2015 - Committee recommendation tabled for plenary, 2nd reading

The Committee on Legal Affairs adopted the recommendation for second reading contained in the report by Cecilia WIKSTRÖM (ADLE, SE) on the Council position at first reading with a view to 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 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).

The committee recommended that the European Parliament **approve the Council position at first reading** without amendment.

EU trade mark

2013/0088(COD) - 11/07/2013

Opinion of the European Data Protection Supervisor on (i) the proposal for a directive of the European Parliament and of the Council to approximate the laws of the Member States relating to trade marks (recast) and (ii) the proposal for a regulation of the European Parliament

and of the Council amending Regulation (EC) No 207/2009 on the Community trade mark

The EDPS notes that these two proposals – the objective of which is to harmonise further all aspects of substantive trade mark law as well as procedural rules within the EU - establish a few processing operations, which may have an impact on individuals' right to privacy and data protection.

The proposed regulation amends the current legal framework applicable to the Community trade mark

set forth in Regulation (EC) No 207/2009. The Office for Harmonization in the Internal Market ('OHIM') is renamed 'European Trade Marks and Design Agency'. The proposed regulation clarifies substantive and procedural rules that apply to the European trade mark. It provides for the establishment by the Agency of a register and of an electronic database. It also clarifies the role and tasks of the Agency, in particular in relation to its cooperation with the national central industrial property offices in the EU.

In particular, the EDPS recommendations are to:

- set forth the modalities for the processing of personal data in the register and the electronic database in a substantive provision of the proposal and not in delegated acts;

- insert a substantive provision specifying the types of personal data to be processed in the register and the electronic database, the purpose of their processing, the categories of recipients who are authorised access to the data (with the specification of which data), the data retention time limit(s), and the modalities for the information and the exercise of data subjects' rights;
- clarify whether or not the exchanges of information between the Agency and national offices would include personal data, and if so, which ones;
- assess the necessity and proportionality of disclosing personal data in the context of the publication of information contained in the electronic database;
- clarify in a substantive provision whether or not the means of cooperation would include the publication of court decisions relating to trade marks. If so, this substantive provision should define the conditions under which the publication of court decisions may take place.

EU trade mark

2013/0088(COD) - 15/12/2015 - Text adopted by Parliament, 2nd reading

The European Parliament adopted a legislative resolution on the Council position at first reading with a view to 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 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).

Parliament **approved the Council position at first reading without amendment**.

EU trade mark

2013/0088(COD) - 26/05/2014

The Council took note of a **Presidency report on the progress made** in the ongoing reform of the Community trademark system. The European Parliament adopted its position in first reading on the draft regulation and the directive on 25 February.

Following the completion of the first technical examination of the Commission proposal for the Regulation in December 2013, the Presidency tabled a compromise proposal, the examination of which was concluded in March 2014. Taking into consideration delegations' comments, the Presidency has recently tabled **two new compromise proposals** concerning both the Regulation and the Directive, which should be treated as a package.

Discussions have shown the existence of **strong support amongst delegations for updating and streamlining the technical provisions of both the proposed Directive and Regulation** with the aim of providing a modern and more legally secure EU and national trade mark system to users.

A wide convergence of views amongst delegations was seen on the majority of issues, such as:

- taking due into account the principles of subsidiarity and proportionality concerning trade mark registration procedures;
- abolishing the requirement of graphical representability of a sign;
- proposed provisions on grounds of non-registrability which could obtain in other Member States than those where the application for registration was filed, or which obtain only where a trade mark in a foreign language is translated or transcribed in any script or official language of the Member State, should be deleted;
- an earlier trade mark cannot be treated as having reputation outside the Member State concerned;
- trade marks should not be registered if they are excluded from registration pursuant to national legislation providing for protection of designations of origin and geographical indications;
- removing the proposed reference to the function of a trade mark as an indication of origin from the “double identity” rule;
- providing for harmonisation as regards trade marks as objects of property at a lower level than the one proposed by the Commission;
- retaining the possibility of ex officio examination of relative grounds by national offices.

A few issues however **remain outstanding and will most likely have to be addressed at a higher political level.** These issues are the following:

- the level of harmonisation of national procedures;
- the extension of rights with regard to goods brought into the customs territory (“transit” issue);
- the extent of the proposed recourse to delegated acts;
- the funding by OHIM of future cooperation between OHIM and national trademarks offices and the use of OHIM's budgetary surpluses.

- the future governance of the Office for Harmonisation in the Internal Market (OHIM), the modalities of future cooperation between OHIM and national trade mark offices, including the funding of such cooperation by OHIM, the use of the OHIM budgetary surpluses and the amount of fees.

The Presidency aims to intensify the efforts to reach an agreement within the Council on the whole package by the **end of the first semester 2014.** The Council instructed its preparatory bodies to take the work forward.

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.