

ALICANTE - 23 OCTOBER 2014

# THE REVISION OF THE EUROPEAN TRADEMARK SYSTEM

CURRENT STATE OF PLAY + A BRAND  
OWNERS PERSPECTIVE


A decorative graphic consisting of several overlapping, irregular shapes in shades of orange, blue, and light blue.

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## EUROPEAN TRADE MARK SYSTEM NEW LEGISLATIVE PROPOSALS



### Agenda

- A short recap of the background and objectives of the legislative proposals
  - What has happened since March 2013?
  - A brand owners perspective on key elements of the proposals
  - Next steps
- 
- A decorative graphic at the bottom left corner consisting of several overlapping, irregular shapes in shades of blue and light blue.

# EUROPEAN TRADE MARK SYSTEM

## NEW LEGISLATIVE PROPOSALS



- EU Trademark Directive (1989) and Community Trade Mark regulation (1993, 2004) haven't changed or been updated significantly since
- 27 March 2013, Legislative proposal ("the package") published:
  - Recast of Trademark Directive , COM (2013) 162
  - Revision of the Community Trademark Regulation, COM (2013)161
  - Revision of the Fees Regulation



- Michel Barnier:

*"What we are aiming for is a well-targeted modernisation to make trade mark protection easier, cheaper, and more effective."*

# EUROPEAN TRADE MARK SYSTEM

## NEW LEGISLATIVE PROPOSALS



- **Objectives:**
  - Streamlining and harmonise registration procedures
  - Modernising the existing provisions and increase legal certainty
  - Improving the means to fight against counterfeit goods in transit
  - Facilitating co-operation between national registries and OHIM (developing common tools and promoting convergence of practices)
  - Introducing more flexibility to fee structures of OHIM and national registries to better meet the needs of businesses
- **Cheaper, quicker, more reliable and more predictable**

# OVERALL: SUPPORTIVE OF PROPOSED CHANGES

BENEFIT FROM A IMPROVED CTM SYSTEM...



Personal Care



Foods



Refreshment



Home Care



# OVERALL: SUPPORTIVE OF PROPOSED CHANGES

...AS WELL AS FROM MODERNIZATION AND HARMONIZATION OF NATIONAL TRADEMARK SYSTEMS



Personal Care



Foods



Refreshment



Home Care



# EUROPEAN TRADE MARK SYSTEM

## NEW LEGISLATIVE PROPOSALS



### Key events since publication “package”

27/03/2013	Legislative proposal published
16/04/2013	Committee referral announced in Parliament, 1st reading/single reading
03/12/2013	Debate in Council
17/12/2013	Vote in committee, 1st reading/single reading
16/01/2014	Committee report tabled for plenary, 1st reading/single reading
24/02/2014	Debate in Parliament
25/02/2014	Results of vote in Parliament
25/02/2014	Decision by Parliament, 1st reading/single reading
23/07/2014	Council – Presidency Compromise Proposal

## DEFINITION OF A TRADEMARK (ART. 4 NREG; ART. 3 NDIR)



Commission 27-3-13	EP First Reading	Council 23-7-14
<p>A (European) trade mark may consist of any signs, in particular words, including personal names, designs, letters, numerals, <b><u>colours as such</u></b>, the shape of goods or of their packaging, or <b><u>sounds</u></b>, provided that such signs are capable of (...)</p>	<p>A (European) trade mark may consist of any signs, in particular words, including personal names, designs, letters, numerals, <b><u>colours as such</u></b>, the shape of goods or of their packaging, or <b><u>sounds</u></b>, provided that <b><u>generally available technology is used</u></b> and such signs are capable of being represented <b><u>in the register in a manner which is clear, precise, self-contained, easily accessible, durable and objective</u></b></p>	<p>A (European) trade mark may consist of any signs, in particular words, including personal names, designs, letters, numerals, <b><u>colours as such</u></b>, the shape of goods or of their packaging, or <b><u>sounds</u></b>, provided that <b><u>generally available technology is used</u></b> and such signs are capable of being represented in a manner <b><u>which is clear, precise, self-contained, easily accessible, durable and objective</u></b></p>

# DEFINITION OF TRADEMARK (ART. 4 NREG; ART. 3 NDIR)



- New, broader definition: including ‘colours as such’ and ‘sounds’
- requirement of graphic representation removed
  - more legal certainty for non-traditional marks, such as sounds and motion marks
- BUT EP+Council: representation not only be ‘precise’ but also ‘clear, self-contained, durable, objective and ‘generally accessible’ → by means of ‘generally available technology’.

# DESIGNATION AND CLASSIFICATION OF GOODS AND SERVICES (ART. 28 NREG)



Commission 27-3-13	EP First Reading	Council 23-7-14
<p>3. (...) the general indications included in the class headings of the Nice Classification or other general terms may be used, provided that they comply with the requisite standards of clarity and precision</p> <p>Proprietors of CTMs applied for prior to 22 June 2012 are allowed to adapt their specification of goods and services in accordance with the IP Translator case within <b>four months</b> after the new Regulation enters into force</p>	<p>Same</p> <p>Proprietors of CTMs applied for prior to 22 June 2012 are allowed to adapt their specification of goods and services in accordance with the IP Translator case within <b>six months</b> after the new Regulation enters into force</p>	<p>Same</p> <p>Deleted. The use of such terms or indications shall not be interpreted as comprising a claim to goods or services which cannot be so understood, <u>irrespective of when the trademark was applied for or registered.</u></p>

# DESIGNATION AND CLASSIFICATION OF GOODS AND SERVICES (ART. 28 NREG)



- Codification of IP Translator case: use of class headings allowed, but goods/services which are not sufficiently clear/precise, will be understood by their literal meaning
- Not in favor of transition period: possibility to adapt specs of goods/services of TM's filed before IP Translator-case, within four/six months. Agree with Councils deletion.

# ABSOLUTE GROUNDS FOR REFUSAL (ART. 4(2) NDIR, ART. 7(2) NREG)



Commission 27-3-13	EP First Reading	Council 23-7-14
4(2) NDir: grounds for non-registrability also apply a) in only part of the Union or b) where a trade mark in a foreign language is translated or transcribed in any script or official language of the Member States	Deleted	Deleted
7(2) Nreg: idem	Grounds for non registrability also apply in only part of the Union	Deletes all

# ABSOLUTE GROUNDS FOR REFUSAL (ART. 4(2) NDIR, )



Fully support EP&Council's position, don't agree with the Commission's proposal on art. 4 (2) Ndir:

- would not have been workable.
- Also not in line with ECJ (Matratzen Concord)

# SEARCH AND EX-OFFICIO EXAMINATION (RECITAL 41 TMD)



Commission 27-3-13	EP First Reading	Council 23-7-14
No more ex-officio searches to the absence of relative grounds of refusal, but TMO's of all Member States should offer possibility to provide such searches to earlier rights on request of the applicant	Member States should be free to decide whether to conduct ex officio examination for refusal on relative grounds	All TMO's of Member States should undertake examinations ex officio of whether a trademark application is eligible for registration considering the absolute grounds for refusal

# SEARCH AND EX-OFFICIO EXAMINATION (RECITAL 41 TMD)



In favor of Commissions' proposal to make ex-officio searches optional choice for applicants.

- Currently 11 offices with 11 different practices in searching
- New, free online tools (e.g. TMView, eSearch Plus) make ex officio searches obsolete

## CANCELLATION ACTIONS (ART. 47 NREG)



Commission 27-3-13	EP First Reading	Council 23-7-14
Member states shall provide for an <b><u>administrative procedure</u></b> before their offices for revocation or declaration of invalidity of a trademark	Member states shall provide <b><u>for a judicial procedure or for an administrative procedure</u></b> before their offices for revocation or declaration of invalidity of a trademark	Member states shall provide <b><u>for a judicial procedure or for an administrative procedure</u></b> before their offices for revocation or declaration of invalidity of a trademark



# CANCELLATION ACTIONS (ART. 47 NREG)



- In principle, support Commission's proposal, i.e. administrative procedure with appeal to court
  - Lower fees
  - No requirement of legal representation by a lawyer
  - Specialized forum (?)
  - What happens with invalidity counterclaims in infringement procedures?

# PROTECTION IN CASE OF DOUBLE IDENTITY (ART. 9(2)(A) NREG AND ART 10(2)(A) NDIR



Commission 27-3-13	EP First Reading	Council 23-7-14
TM owner can prevent third parties to use sign which is identical with the its registered mark and is used in relation to goods or services which are identical with those for which the trade mark is registered, <b><u>and where such use affects or is liable to affect the function of the European trade mark to guarantee to consumers the origin of the goods or services;</u></b>	TM owner can prevent third parties to use sign which is identical with the its registered mark and is used in relation to goods or services which are identical with those for which the trade mark is registered	TM owner can prevent third parties to use sign which is identical with the its registered mark and is used in relation to goods or services which are identical with those for which the trade mark is registered

# PROTECTION IN CASE OF DOUBLE IDENTITY (ART. 9(2)(A) NREG AND ART 10(2)(A) NDIR



- Strongly support EP&Councils amendments which deletes the requirement of the detriment to origin function in case of double identity
- Would have shifted burden of proof on TM owner and causing hindrance in the fight against counterfeit

# COUNTERFEIT GOODS IN TRANSIT (ART. 9(5) NREG AND ART 10(5) NDIR



Commission 27-3-13	EP First Reading	Council 23-7-14
Trade mark owner is entitled to prevent all third parties from bringing goods into the customs territory of the European Union, regardless of whether they are released for free circulation there	Same, but without prejudice to WTO Rules, in particular art. 5 of the GATT on freedom of transit. Smooth transit of generic medicines	Same, but without prejudice to WTO Rules, in particular art. 5 of the GATT on freedom of transit. Smooth transit of generic medicines

# COUNTERFEIT GOODS IN TRANSIT (ART. 9(5) NREG AND ART 10(5) NDIR)



- Positive step which will strengthen the hand of brand owners against those who hide the origin or destination of counterfeit goods.
- Burden of proof on importer that goods will not be put on the European market.
- Additions by EP&Council provide good balance between the need to stop counterfeit goods in transit and the need to ensure smooth international legitimate trade

## FEES (ANNEX, RECITAL 43A)



Commission 27-3-13	EP First Reading	Council 23-7-14
One-class-per fee for all registries in EU	Same,	Same,
fees of: 925 (paper) 775 (electronic)	fees of: 925 euro (paper) 775 euro (electronic) 725 euro (electronic, use of classification database)	fees of : 1050 euro (paper) 900 euro (electronic) <b>(same as current fees for one three classes)</b>
Fees in <u>separate</u> Fees Regulation	Fees <u>included</u> in Regulation	Fees <u>included</u> in Regulation

## FEES (ANNEX, RECITAL 43A)



- Welcome the 1-class-per-fee system – discourages broad filings and cluttering of register.
- Filing in three classes should not be more expensive than in current regime
- If fees are included in Regulation itself, need for a 'rendez-vous clause' to allow periodical revisions.
- Renewal fee should be reduced, no reason for it to be higher than application fee

## SURPLUS AND FINANCIAL SUPPORT NATIONAL OFFICES (ART. 144 (2) NREG AND 123C (4))



- Avoid further accumulation of surplus
- Surplus to be used explicitly and exclusively for trademark related purposes
- Against transferring (new) surplus to EU budget → would be an indirect taxation
- Users should be involved in determining specific use of the funds (e.g. no funding of European School in Alicante)

# NEXT STEPS?



- 22 October: first Shadows meeting of new EP
- November 2014 (?): Trilogue meeting
- Q1 2015 (?): adoption of proposals
- EU countries will have two years to transpose additional requirements of the Directive into national law

# QUESTIONS?

