

THE REFORM OF THE EU TRADE MARK LAW

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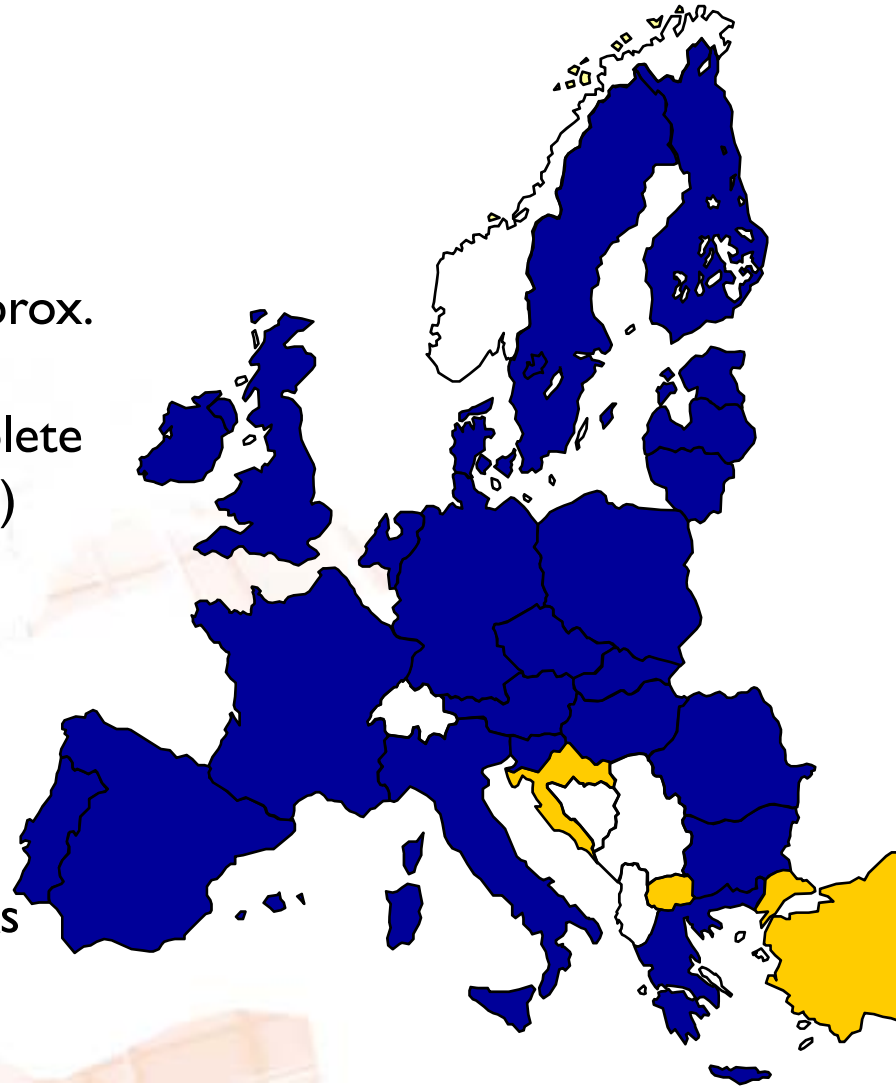
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Introduction

- An outline of the current law
- Some figures on the functioning of the CTM system
- Reasons for launching a process of reform
- Steps already taken by the European Commission
- The study on the overall functioning of the European Trade Mark System presented at the request of the EC by the Max Planck Institute for Intellectual Property (Munich)
- Main legal issues addressed: current law & proposals for reform
- Next steps

The European Union

- 27 Countries
- 22 Languages
- 500 million people approx.
- 1 Single Market (complete integration of economies)
- 2 Sets of legal systems (EU + national)
- 2 Coexisting systems for protecting trademarks (EU + national)



- Austria
- Belgium
- Bulgaria
- Czech Republic
- Cyprus
- Denmark
- Estonia
- Finland
- France
- Germany
- Greece
- Hungary
- Ireland
- Italy
- Latvia
- Lithuania
- Luxembourg
- Malta
- Poland
- Portugal
- Romania
- Slovak Republic
- Slovenia
- Spain
- Sweden
- The Netherlands
- United Kingdom

The CTM system

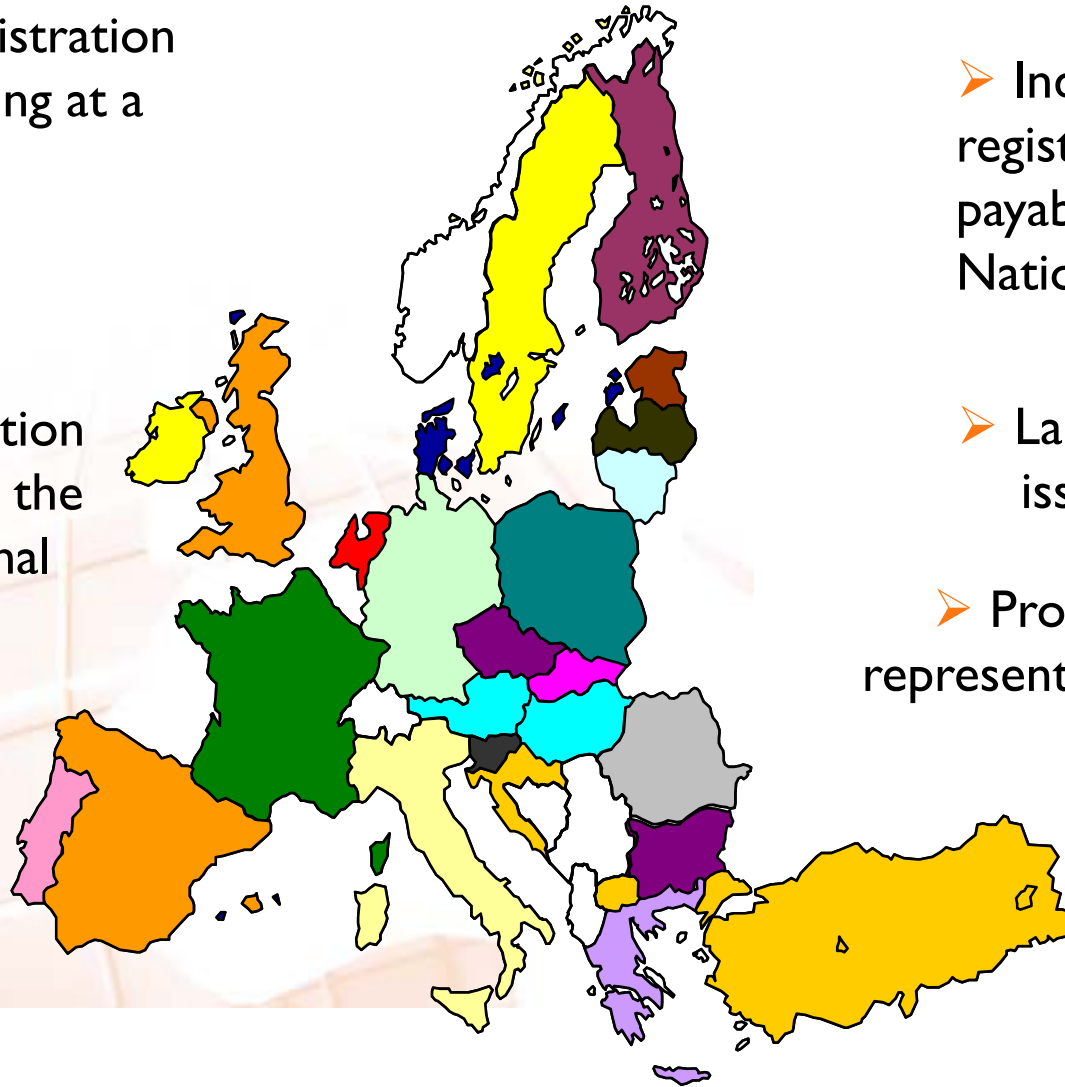
- A procedural system established in 1996 to obtain EU-wide trademark protection
- Trademark registration produces uniform legal effects
- Enforceable throughout the entire EU
- One Registration Procedure
- One Registration Office
- One fee
- One title valid throughout 27 countries
- A one-off payment
- One court of law



Set of individual EU member states trademark legislations and registration offices

➤ Various registration offices operating at a national scale

➤ Each protection title subject to the different national laws



➤ Individual registration fees payable to each National Office

➤ Language issues

➤ Professional representation issues

The CTM system: Basic features

- **REPRESENTATION:** one representative
- **REGISTRATION PROCEDURE:** One single administrative procedure
- **LIST OF GOODS/SERVICES:** Broad specification of goods/Services possible
- **USE:** Use in one country might be sufficient
- **REFUSAL:** No *ex-officio* examination of relative grounds; Objection in part of the EU leads to the rejection of the entire application
- **SENIORITY:** Possibility to link earlier identical EU national registrations to the CTM and maintaining the right by maintaining the CTM only
- **COVERAGE:** No choice of country – all or nothing
- **EXTENSION:** Automatic extension should a new country join the EU
- **GEOGRAPHICAL SCOPE:** E.g. CTM extends to Gibraltar, a UK registration does not. However, Danish registration covers Greenland, but the CTM does not
- **ENFORCEMENT:** A Community Application for action can be filed on the basis of a CTM at the national customs for the whole EU territory
- **ASSIGNMENT:** A CTM can be assigned for part of the goods/services but not for part of the countries
- **CONVERSION:** Should the CTM fail, it is possible to convert the CTM into EU national applications/registrations maintaining as filing date the application date of the CTM

CTM opposition system

How does the CTM system deal with the conflict between new CTM applications and earlier third parties rights?



Main features of the CTM opposition system (I)

No “ex officio” examination / refusal of CTM applications on the basis of conflicting earlier rights

- “Ex officio” refusal is confined to formal and absolute grounds. Conflicts between earlier rights and an earlier conflicting trademark right will prevent registration of a new mark only if the earlier right's proprietor successfully objects to the registration of the CTM application. Subsequent CTM applications are to be resolved by an opposition mechanism
- Rationale:
 - Impossibility of carrying out complete search on all earlier rights
 - “Ex officio” examination of conflicting earlier rights could lead to unjustified rejection of CTM application (unused earlier marks could stop new CTMs)
 - The parties and the market decide whether conflicting marks can coexist
 - Speed and efficiency in handling CTM registration proceedings

Main features of the CTM opposition system (II)

An opposition period of 3 months after the publication of the CTM

Opposition against the registration of a CTM may be filed within a non extendable period of 3 months after the publication of the CTM application concerned.

Within this period a fee of 350 Euros must be paid to OHIM.



Main features of the CTM opposition system (III)

Oppositions based upon unused earlier trade marks may, in certain circumstances, be rejected

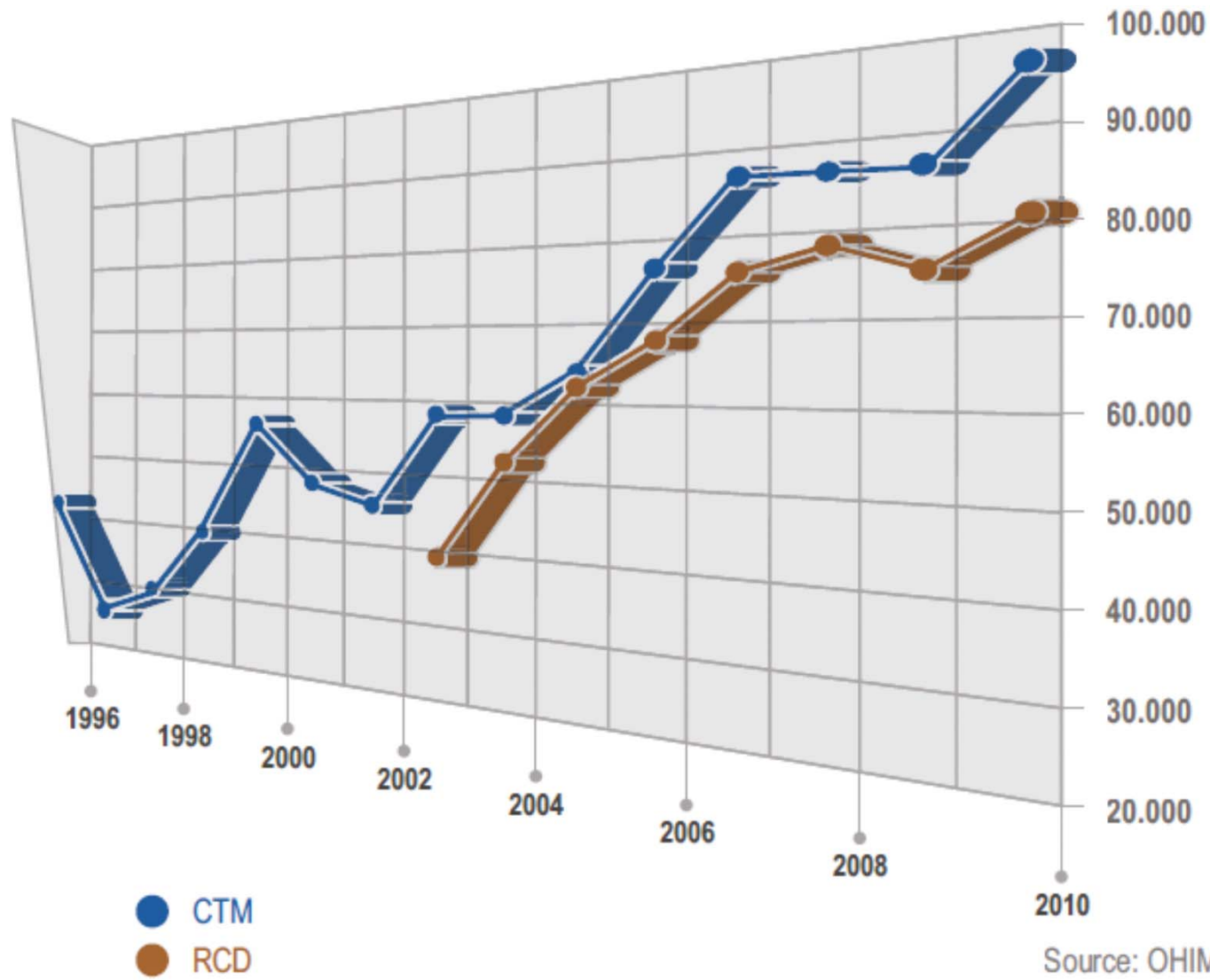
- Earlier registered trade marks unused for more than 5 years after registration should not constitute an obstacle to the registration of new CTMs.
- If the earlier trade mark on which an opposition against the registration of a later CTM is based has been registered for more than 5 years, the CTM applicant may request that the opponent prove genuine use of the earlier trade mark.
- If use has not been proven by the proprietor of the earlier trade mark, the opposition will be rejected.

Main features of the CTM opposition system (IV)

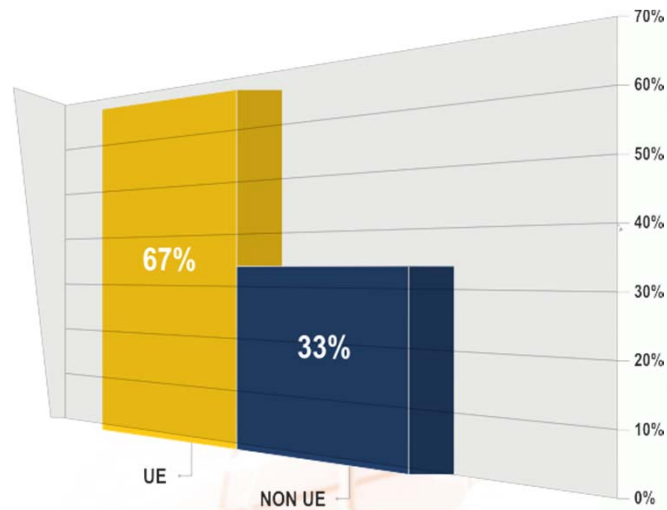
● Key figures

- About 15% of the published CTM applications face an opposition (OHIM currently has to deal with some 16,000 new oppositions a year). Too much? In the UK the opposition rate is about 5%
- 30% of the oppositions against CTMs are closed by the examiners decision, and 70% are settled otherwise. In the UK only 20% of oppositions are settled by decision
- Success rate of oppositions against CTMs: about 50% of the oppositions filed leads to a withdrawal, or a refusal, or a rejection, which means that approximately 7% of the CTM applications are in one way or another affected by an opposition
- Once an opposition file is ready for decision, the Office takes 4 months to close it.

CTM figures (I)



CTM figures (II)



COUNTRY OF ORIGIN: TOP 5

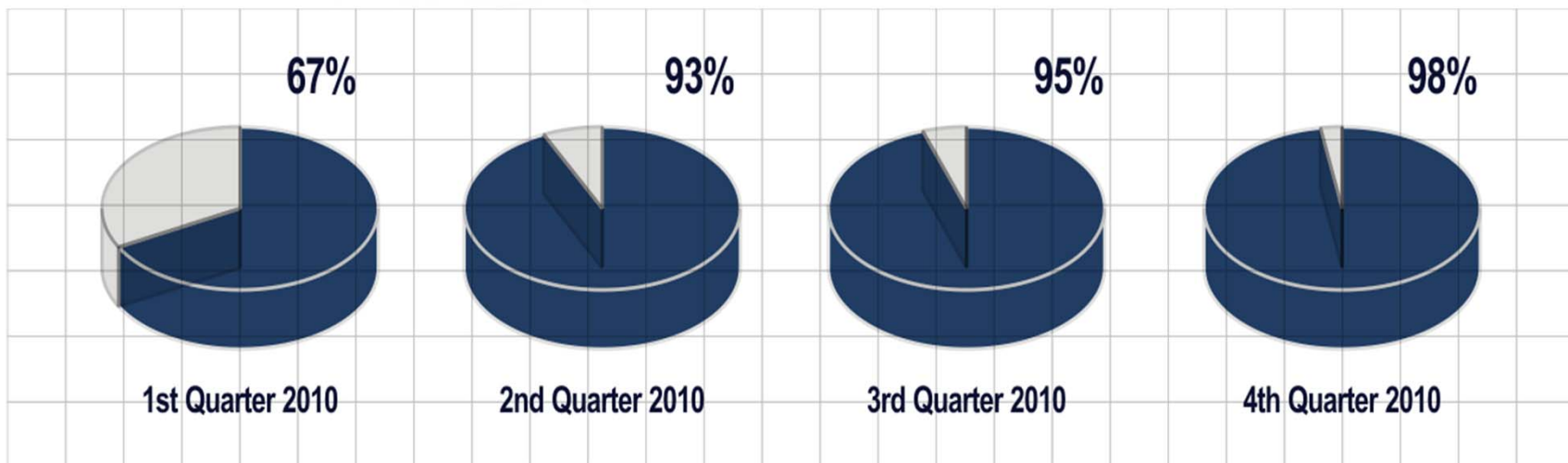
DE	19,91 %
US	18,29 %
UK	11,63 %
IT	8,44 %
ES	8,29 %

More than 350 000 companies using the CTM system

CTM figures (III)

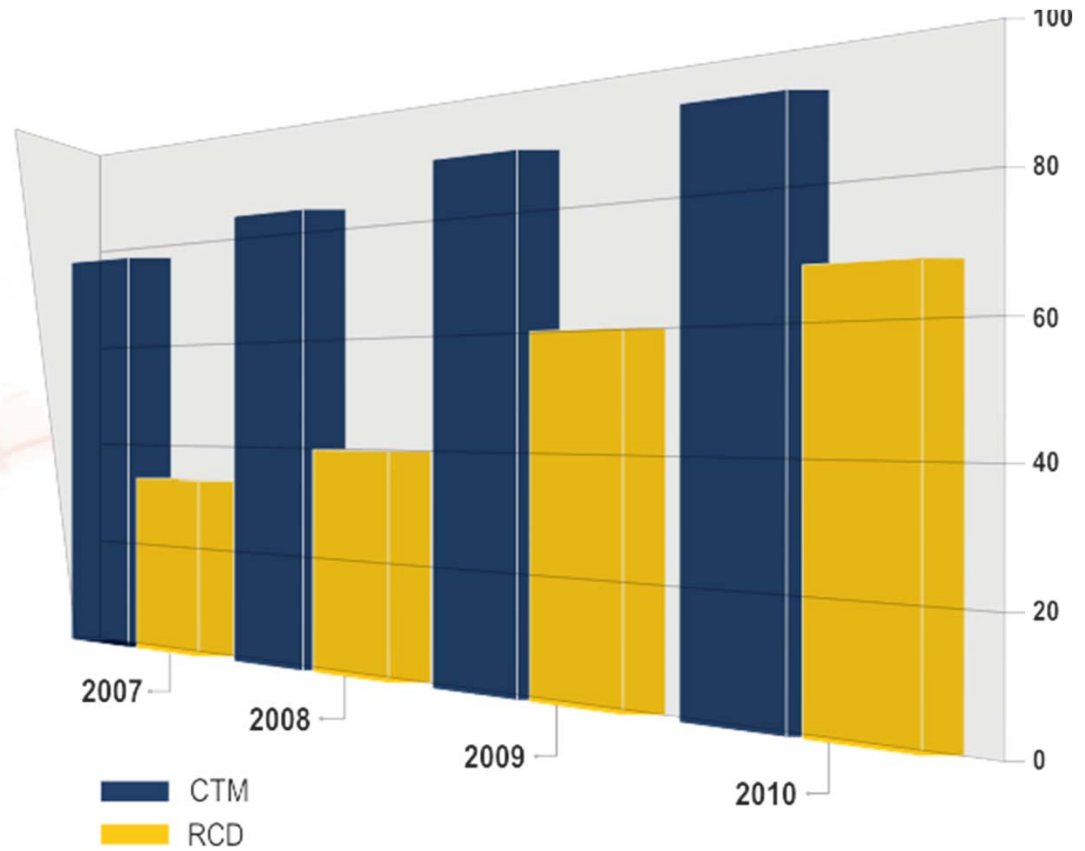
CTMs PUBLISHED WITHIN 11 WEEKS (%)

(Straightforward cases excl, opposed or appealed)



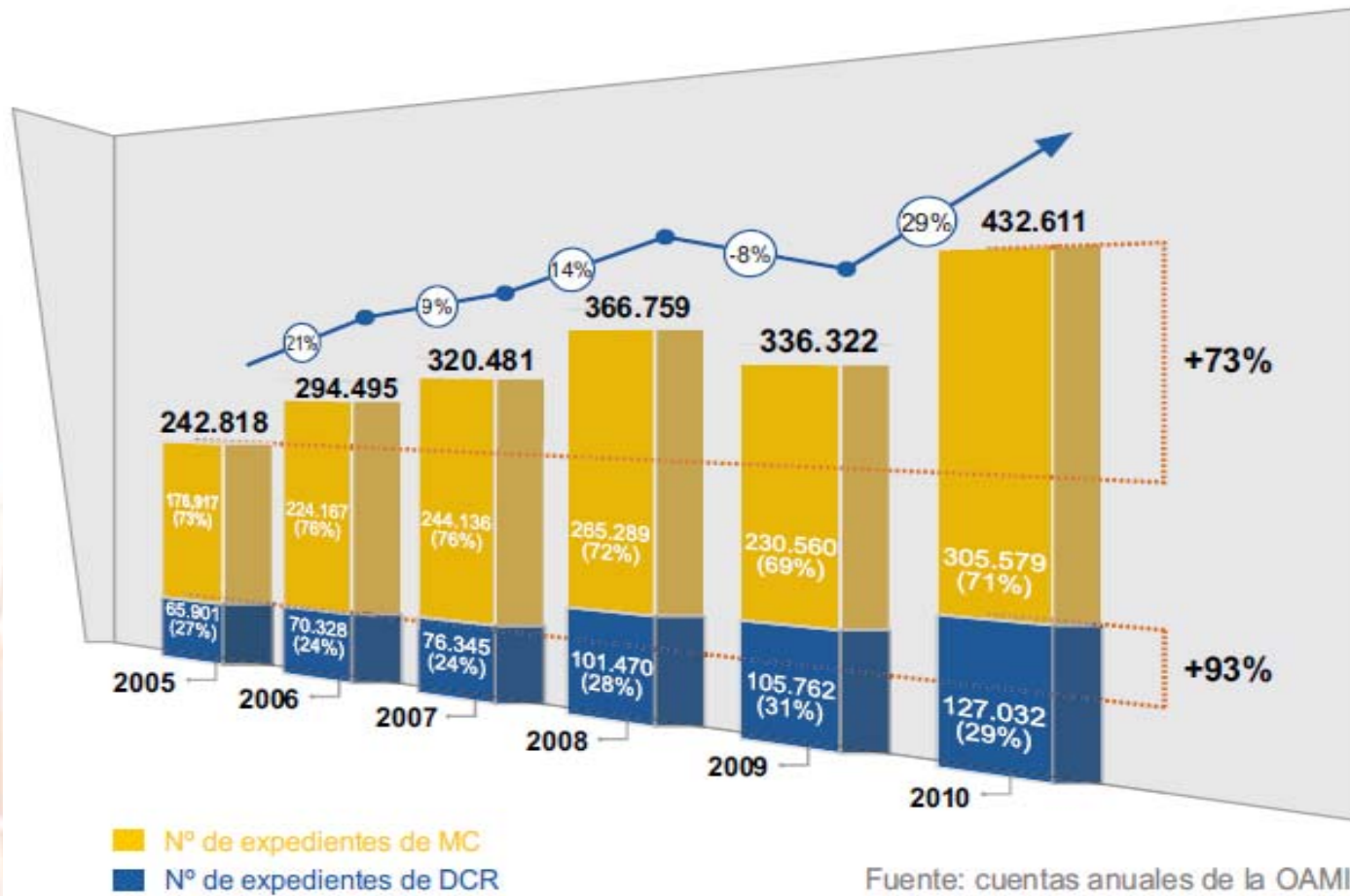
CTM figures (IV)

The vast majority of CTM and RCD applications are done on-line.



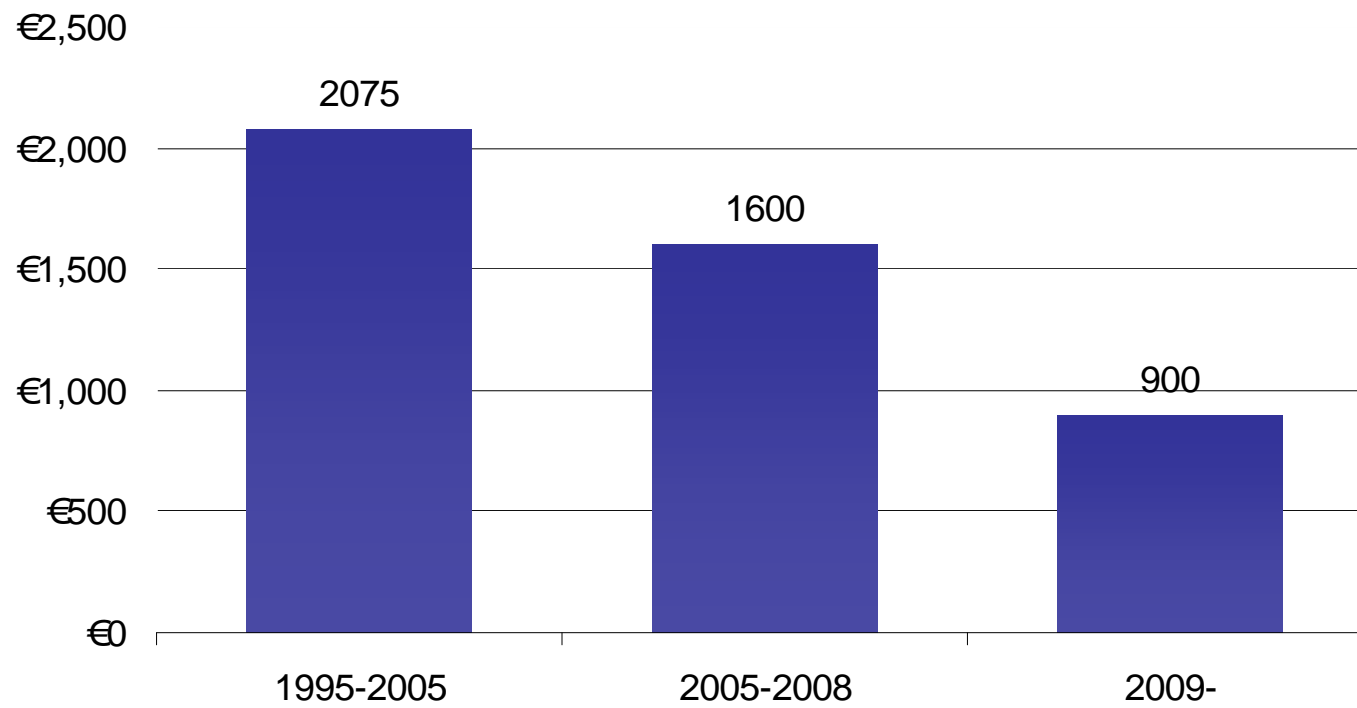
CTM figures (V)

- **Efficiency**



CTM fees

CTM fees



The reform

- Council conclusions May 2007 asked the Commission to
 - Propose a reduction of CTM fees
 - Work on a comprehensive study on the overall functioning of the Community trade mark system
- Communication of the Commission 2008 – the Commission announces the intention to launch a study
- Max Planck Study

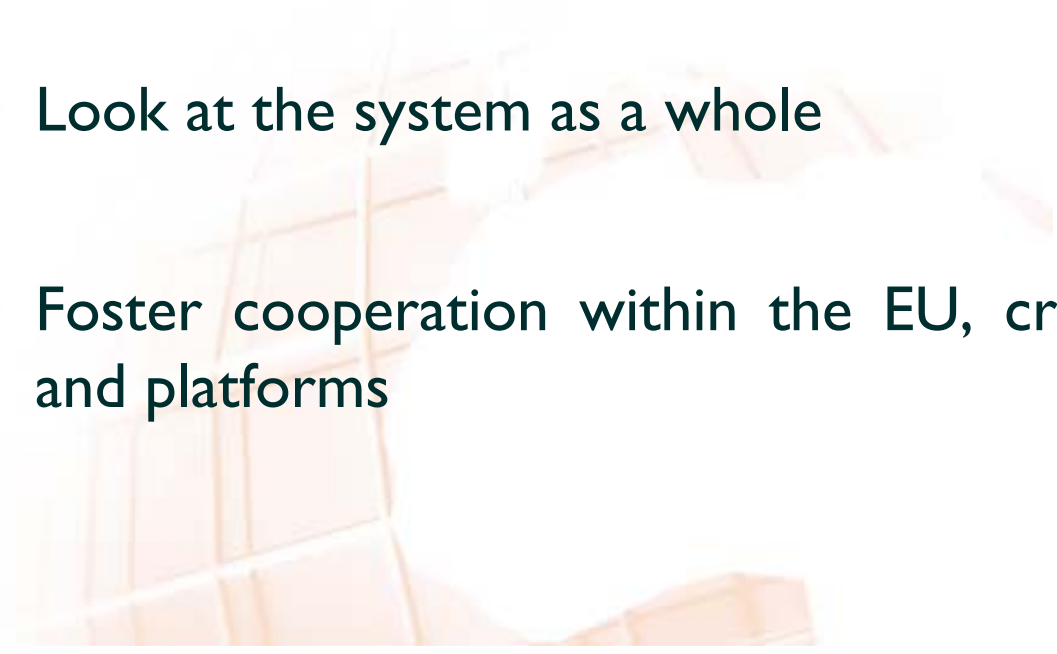
Main issues analysed in the Max Planck Study

- Coexistence between the EU trade mark system and national systems
- Coherence between the EU Trade Mark directive and EU Trade Mark Regulation and enhanced harmonisation of national trade mark laws:
 - relative grounds for refusal
 - protection of non registered trade-marks
 - opposition & cancellation procedures
- Maintaining the basic features of the CTM system
 - territorial aspects of genuine use of CTM's
 - unitary character of CTM's and its consequences
- Possible amendments to the CTMR
 - regulation of bad faith
 - seniority claims
 - grounds & time limits for oppositions
 - involving national TMO's in OHIM's examination proceedings
 - enlarging OHIM's mandate
 - establishing a legal basis for distributing to national TMO's a share of OHIM's fee income

Next Steps

- Commission currently working on proposals of amendment CTM Regulation and TM Directive
 - Max Planck Study
 - Consultation of stakeholders
 - Office giving input when requested
- The proposals are expected by Spring 2012
- Long legislative process
 - Commission proposals
 - EU Council
 - EU Parliament

OHIM's view

- Evolution not revolution
 - Increase efficiency, quality and predictability of proceedings
 - Look at the system as a whole
 - Foster cooperation within the EU, creation of common tools and platforms
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Thank you!

