

The EU Trade Mark Reform
Changes and Challenges

CLE Presentation to Dallas Bar Association, IP Section
18 February 2016


Verena v. Bomhard, BomhardIP, Alicante, Spain



Introduction

- 2010: MPI Study
- Issues that took longest to agree on:
 - Fee structure, budget issues
 - Governance issues
 - Goods in transit
- Entry into force
 - EU Trademark Regulation: 23 March 2016
 - EU Trademark Directive: 12 January 2016 (but 3 years for transposition)

Legislative process, entry into force



- Community trade mark / CTM: EU trade mark / **EUTM**
- OHIM: **EUIPO** or „**the Office**“
- Presumably new domain name euiipo.europa.eu
- CTM Regulation becomes EUTMR
- The President becomes Executive Director

New Nomenclature




- EUTMR – new Regulation = Amending Regulation 207/2009
- New Directive is „recast“ i.e. entirely new
- Commission working on secondary legislation:
 - Delegated Acts
 - Implementing Acts
- (Draft) OHIM Guidelines on implementation
- Separate Draft Communication on Article 28(8) EUTMR

Legislative tools



- Achieve greater harmonisation of national and EU trade mark laws and procedures
- Bring nomenclature in line with Lisbon Treaty
- Adapt governance to general Commission practice
- Ensure household stability for the Office
- Codify the Office's additional tasks
- Answer to industry's quest for more effective anti-counterfeiting tools

Essential ideas



New fee structure

- Fees per class (no longer 3 classes for the price of 1)
- Generally fees lowered by roughly 10% except:
- E-application and e-renewal fees by comparison

	First class	Second class	Each additional class
Application new	850€	50€	150€
<i>Application old</i>	<i>900€ for first three classes</i>		<i>150€</i>
Renewal new	850€	50€	150€
<i>Renewal old</i>	<i>1,350€ for first three classes</i>		<i>400€</i>

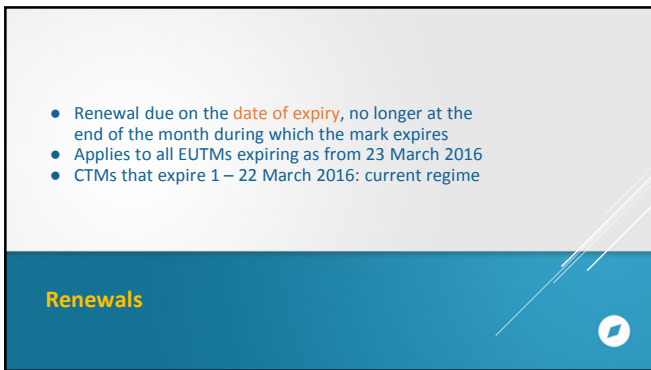
Fees: part of the basic Regulation

- Renewal fees: comparative table for multi-class registrations (in € / \$)

Renewal in:	1 class	3 classes	5 classes	7 classes	10 classes
CTMR					
€	1,350	1,350	2,150	2,950	3,850
\$	1,465	1,465	2,330	3,195	4,170
EUTMR					
€	850	1,050	1,350	1,650	2,100
\$	920	1,140	1,465	1,790	2,275

Renewal fees: savings








◊ CTM law already provided: Nice Classification; clarity; possibility to classify in only one class

◊ Directive: silent – great variety of national practices

◊ OHIM Communication 4/03 of 16 June 2003: Full class heading = all goods / services in the class

◊ 19 June 2012: **IP Translator** decision of CJEU – general indications permissible but cover only **literal meaning**

Where we were



● Regulation and Directive codify IP TRANSLATOR

● Article 28(8), (9) EUTMR – addresses pre-22 June 2012 CTMs to protect legitimate expectations

- Allows 6 months to 23 September 2016 for amending specifications
- concerns only terms *not covered* by literal meaning of class headings

Where we will be




◊ CTMs **filed before 22 June 2012** and **registered** before entry into force of EUTMR

◊ That cover **entire class heading** in any given class

◊ To amend goods or services that are not covered by class heading *and* are contained in alphabetical list

◊ N.B. always Nice edition applicable at filing date

28(8) Declaration admissible



- ◊ CTM applications pending at entry into force of EUTMR
- ◊ *IRs designating the EU (current OHIM thinking)*
- ◊ To amend vague terms
- ◊ To add g/s "clearly covered" by literal meaning or not contained in alphabetical list

28(8) Declaration not admissible



- ◊ Sufficient if **one class** contains entire class heading for that class to be amended
- ◊ Additional language OK provided it is not limiting on class heading ("including" and mere addition after semicolon vs. "namely", "not including...")

Entire class heading of a Nice class



- ◊ Before 23 September 2016
- ◊ Declaration in writing
- ◊ Normal rules for representation apply
- ◊ One declaration per mark

Time and form of 28(8) Declaration




- ◊ Admissible declaration
 - ◊ Register amendment
 - ◊ No additional rights based on amended terms against third parties who are using or have applied for now potentially conflicting g/s (28(9))
- ◊ No (or inadmissible) declaration: CTM covers literal meaning only

Consequences



- Pending application: partial withdrawal, 43 CTMR, and amending terms from alphabetical list
- Vague terms in spec: partial surrender, specify further
- Not full class heading: possibly partial surrender, add required terms

Workaround and practice tips




New rules relating to applications



- Disclaimers: no longer allowed
- Search and watch services: opt-in and opt-out system
 - Opt-in (no cost) for EU search report
 - Watch notices sent to owners of earlier rights *unless* they opt-out
- *As from 23 September 2017*: Priority claim must be made with the application

Application



- Representatives from the EEA can represent clients before EUIPO
- This adds Norway, Iceland, Liechtenstein (not CH)


Representation before EUIPO



- *As from 23 September 2017*: graphical representation no longer necessary
- But: clear and precise representation on the Register continues to be necessary

→ no significant impact on which signs can be registered

Graphical representation



- Functionality rules apply also to “other characteristics” (not only to the shape)
- Geographical indications based on EU or national law or international agreements
- Traditional terms for wines, traditional specialities guaranteed
- Plant variety denominations

Additional absolute grounds for refusal / invalidity



- EU certification marks are introduced (*as from 23 September 2017*)
- National certification marks remain optional

Certification Marks



New rules relating to IRs designating the EU



• Opposition period starts 1month from re-publication (currently: 6months) and ends 4 months after re-publication (now: 9)

→ acceleration!


IRs designating the EU



Use requirement in opposition and cancellation proceedings

• Relevant point in time for use requirement: date of filing / priority (not: publication) of contested mark

Opposition and Cancellation Proceedings



Impact on scope of protection

Use...

- as a trade or company name, or a part thereof
- on business papers or in advertising
- in comparative advertising not compliant with Directive 2006/114
- Preparatory acts: packaging, labels, tags, security or authenticity features provided there is a risk they will be used for infringing goods


Rights conferred: infringing uses

- Seizure of goods or packaging bearing an identical mark that are in transit (not for release to the EU market)
- Onus on holder of the goods that use of the mark is legitimate in the country of final destination

Rights conferred: goods in transit

- Still no general „fair use clause“
- No express exception for parody or humorous uses
- But: fair use of non-distinctive or descriptive signs
- Referential use (to goods of TM owner)
- No own name defense for company names

Rights conferred: limitations




- Concept: trade mark that is not enforceable against a junior mark when that is acquired should not be held against it later when it has become enforceable
- So far: only double use requirement in invalidity proceedings against CTMs
- Now: defence in infringement proceedings
- (Impact on clearance! Unused marks are not risks)

Intervening rights




National laws: main practical changes



- Member States must introduce
 - opposition proceedings (2019)
 - office proceedings for cancellation (2023)
 - Non-use challenge in those proceedings

Opposition and Cancellation Proceedings



Thank you!
Any questions:
verena@bomhardip.com
