



FÉDÉRATION INTERNATIONALE DES CONSEILS EN PROPRIÉTÉ INDUSTRIELLE
COMMISSION D'ÉTUDE ET DE TRAVAIL (CET)

CET 9 WORKING DOCUMENT

Article from CET 9 - Observations on the document from the European Commission

SUBJECT: "Study on the overall functioning of the Trade Mark system in Europe (MARKT/2009/12/D) dated 22/07/2009," as presented to Buenos Aires ExCo as EXCO/AR10/CET/1902

PURPOSE: Article

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Response to questions concerning links between the CTM system and national trade mark systems.

ARTICLE

On 22nd July 2009 the European Commission issued a Questionnaire presenting two sets of questions focused on the links between the Community trade mark system and the national trade mark systems and the functioning of the Community trade mark regime and OHIM.

CET 9 prepared a response to this questionnaire in conjunction with Andrew Parkes, FICPI Special Reporter for Trademarks and Designs. The response was made bearing in mind previous FICPI positions before the OHIM. This response was presented to the FICPI ExCO in Buenos Aires in January 2010 as EXCO/AR10/CET/1902.

FICPI's response focused on the importance of building a Community Trademark that is valuable and realistic in each of the 27 countries as well as the CTM territory as a whole.

In the introduction to its response FICPI emphasized that the Office for Harmonisation in the Internal Market (trade marks & designs) has achieved a great financial success in operating the Community Trade Mark system and that the numbers of Community trade marks registered has been very impressive. However FICPI encouraged a focus quality rather than quantity in judging success and that all users must be considered. In this respect FICPI emphasized that the users of the Trade Mark system include not only trade mark owners but also third parties who are affected by the rights granted.

The FICPI reply can be summarized as follows.

While the Trademark Directive (TMD) has contributed to the harmonization of a single market, the FICPI reply indicated that there are some provisions could benefit from revision. For example, there could be revisions to the provisions relating to: applications made in bad faith (Art. 3(2)(d)); distinctive character acquired after the date of application or after date of registration (Art. 3(3)); unfair advantage or detriment (Art. 4(4)(a)); earlier rights (Art. 4(4)(c)); marks in use abroad (Art. 4(4)(g)); unfair advantage or detriment (Art. 5(2)); infringing acts (Art 5(3)); and sanctions for non-use (Art. 11(2)). In addition, the FICPI response suggested a need for further legislative approximation of Members' systems.

The FICPI response indicated that harmonisation should not only be in terms of legislation, but also extend to European Trademark Offices practices and decisions in regard to consistency of content and explanation of grounds.

FICPI emphasized its position that the relationship between the CTM system and national systems should achieve a balance between these two systems and, in particular, should not encourage trademark owners to seek exclusive rights beyond their realistic scope of interests in a trade mark across the whole of the Community when the use of that trade mark will be in a market that is very small compared to "the scale of the Community".

Therefore, FICPI emphasized that national trademark offices have a relevant role for obtaining protection a local or regional stakeholder and the dangers of not having national offices play a role in a balanced system. For example, if the CTM use requirement were to be changed, national offices



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could be used to obtain protection of a trademark when it cannot comply with the use requirement in other countries than the national one. National offices also can provide manners in which to guarantee complementary protection and avoid a trademark being declared void in the whole Community, depending on the nature of the trademark. Furthermore National offices can assist with customs and enforcement. However, FICPI is of the position that National Offices should not be engaged in giving legal advice bearing in mind potential conflict of interests.

Another important issue of this study of linkages concerned that of use, and FICPI maintained its position regarding a need to provide a balance between CTM owners and third parties who are seeking freedom to use new marks, possibly only in 1 or 2 national markets. Thus, maintenance of a CTM for the whole Community when it has been used only on a small scale or in one area can create unnecessary barriers to traders looking for marks for new products. Seniority is another aspect that should be reconsidered by OHIM for the transparency of the system.

FICPI decided not to reply to questions concerning to contributions of national offices to the overall functioning of the CTM system. However, FICPI did indicate that and payments received from OHIM should be spent only on the projects that directly benefit of the users of the trademark system.

2.- Functioning of the CTM system including the OHIM

This set of questions related to many aspects of OHIM practice, and FICPI generally took the following positions.

Priority should be verified in order to strengthen the community trade marks themselves; just as seniority should s be examined. Third parties should be able to rely on the Register entry for a priority claim and not have to investigate whether it is valid.

Quality of examination is a very important to provide with a strong trademark system: there is a need of consistency in examination regarding absolute grounds and there is also a need of examining identical earlier trademarks even when no oppositions are filed.

FICPI also supports reducing from five to three the time period to provide with effective and efficiency use of a trademark.

In regard to searches, FICPI has supported them and continued to do so, particularly with regard to SME users. However, improvement in search quality should be achieved, and new search tools would be beneficial.

The FICPI reply indicated support for an ex-officio system as more realistic than the current opposition system. This ex-officio exam would be consistent with an accelerated registration system.

FICPI recognized user satisfaction with e-business tools. Nevertheless, FICPI cautioned that ease of electronic communication should not be over-emphasised to inexperienced users who need professional advice in order to avoid pitfalls in the system.

FICPI suggested that OHIM select a body to regulate costs.

FICPI urged that the role of OHIM should be providing the system with strong Community Trademarks which may operate according to reality. Furthermore OHIM could provide users with a mediation body to deal with issues of costs and conflicts raised in the system, as introduced in article 42 CTMR.

Regarding fees, FICPI reiterated its long-held position that the right of a third party to oppose or to seek revocation or invalidation of a CTM is part of the balance of the system and should be seen within the overall costs of the service provided by the Office to traders. Fees for these actions should therefore be reduced in proportion to the reduction in accession fees.

In conclusion, the Evaluation Questionnaire has been responded to following previous FICPI positions as adapted to the evolution of the CTM system, recognising improvements, and continuing to encourage consistency and balance with market reality and the national systems.