

# EIP



## EU Trade Mark Reform – Key Proposals and Implications

After years of debate, the European Parliament, European Council and European Commission have reached an agreement in relation to a new European Union trade mark reform package, which will provide a range of benefits for trade mark owners and new applicants.

These reforms represent the most substantial change to EU trade mark law since the Community Trade Mark was introduced, 15 years ago.

They include a simpler registration system with reduced fees for new applications and renewals, and stronger powers for trade mark owners to prevent counterfeit goods entering the EU.

Although not yet final, the agreed reforms are unlikely to undergo any major revision before adoption. The new provisions should start to come into effect in the second quarter of 2016. Member States will then have three years to transpose the new rules into national law.

Key amendments, and their possible implications, are as follows:

### **1. Updated Names**

The Office for Harmonisation in the Internal Market (“OHIM”), will be renamed the “European Union Intellectual Property Office” (“EU IPO”).

The Community Trade Mark (“CTM”), will be renamed the “European Union Trade Mark” (“EU TM”).

This updated terminology is thought to be clearer to users of the system.

## **2. Updated Fees**

Application fees for EU TMs will be reduced, and will no longer automatically include three classes of goods and/or services. Instead, the initial application fee will include only one class, with a supplementary fee due for each additional class, as is the case in the UK. Fees will be payable upon filing, rather than one month after filing.

Renewal fees will also be reduced, and will be payable on a per class basis.

These reduced filing fees should significantly help individual applicants and smaller businesses seeking trade mark protection in the EU, and will avoid applicants adding unnecessary classes to maximise the existing fee structure. It is likely to tempt more businesses to file EU TMs as opposed to national trade marks and to streamline their registrations upon renewal.

## **3. Deletion of the “Graphic Representation” Requirement**

The current requirement for a trade mark to be capable of graphic representation will be deleted so that representation of a mark may be in any available format. This should allow greater flexibility for applicants wishing to obtain protection for non-traditional marks, such as sound, smell or taste marks.

However, the representation of the proposed trade mark will still need to be “clear, precise, self-contained, easily accessible, intelligible, durable and objective”, in line with the current criteria.

## **4. Expansion of the “Nature of the Goods” and “Technical Function” Restrictions**

A trade mark will not be registrable if it consists exclusively of any characteristic which results from the nature of the goods, which is necessary to achieve a technical result, or which gives substantial value to the goods. Previously, these restrictions only applied to shapes; now they will apply to all non-conventional marks, which might make them harder to register.

## **5. Revised Class Headings Interpretation**

Specifications for registered trade marks that simply list class headings will be interpreted to include only the goods and/or services clearly covered by the literal meaning of the terms listed, instead of the “class heading covers all” approach.

Trade mark owners who filed an application before June 2012 will have an opportunity to

clarify which products they intended to cover in each class, and the register will be updated accordingly.

The result of this amendment should mean clearer trade mark specifications on the EU IPO database. However, owners of older trade mark registrations may need to carefully review their portfolio to ensure that they have adequate protection in place and there is no loss of rights.

## **6. Enhanced Counterfeiting Protection**

Trade mark owners will have stronger powers to prohibit infringing goods from entering the EU.

This should help trade mark owners considerably in the fight against counterfeit products, and should help limit the distribution of counterfeit goods across the EU generally. There will be a valid defence if the importer can prove that the trade mark owner is not entitled to prevent the sale.

## **7. Enhanced Comparative Advertising Protection**

Trade mark owners will have the benefit of enhanced rights to prohibit third parties from using their mark in comparative advertising.

### **Comment**

Overall, the proposed reforms seem to further the objective of harmonisation between national trade mark laws and the law and practice of the EU trade mark system. The agreed measures should lead to better co-operation and a more efficient system, although we feel there is still room for improvement, and it will be some time before the new laws take effect.

The reforms should have the largest impact on SMEs and companies with EU-wide ambitions, who will benefit from a more cost-effective and predictable route to unitary trade mark protection in the EU.