

Major Reforms to European Trade Mark Law

The Community Trade Mark system was established some 20 years ago. Following the growth of the EU, changes in the business landscape and numerous discussions, the European Parliament in December 2015 adopted Directive (EU) 2015/2436 and Regulation (EU) 2015/2424 on European Trade Marks.

The new Regulation enters into force on 23 March 2016 and the Directive needs to be transposed into national law within the next three years, i.e. by 14 January 2019.

The aim of the new reforms is to modernise and integrate the current Trade Mark legislation within the EU. This should allow the EU trade mark systems to be more accessible and efficient from a business perspective and in terms of lower costs, reduced complexity, increased speed, greater predictability and legal certainty and security.

Some of the important practical changes are outlined below and relate to matters such as changes in fee structures, graphical representation of a trade mark, goods in transit, scope of protection for class headings etc. The list is not exhaustive.

Change of name

- The OHIM ('the Office for Harmonization in the Internal Market') will now be called the European Union Intellectual Property Office
- The Community Trade Mark will be called the European Union Trade Mark or EU Trade Mark
- A Community Trade Mark Court will now be referred to as the EU Trade Mark Court

Change in fee structure

The "three classes for the price of one" offer will no longer apply. Going forward each class in respect of filing or renewal of trade marks will carry a separate fee. The aim is to declutter the register as there is a view that additional classes are unnecessarily included to take advantage of the three for the price of one offer. In practice this "pay for what you need" structure means that applicants will pay a lower fee if they only apply for one class, the same fee if they apply for two, and a higher fee if they apply for three or more. Renewal fees are substantially reduced and set to the same level as application fees, and there are also reductions in opposition, cancellation and appeal fees.

Renewal Deadline

While the official fees for renewals have been reduced significantly there has been a slight change to the deadline to pay the renewal fees. The renewal request must be filed and the renewal fee paid within the six month period prior to the expiration of the registration, rather

than the current situation whereby the renewal request must be filed and the fee paid within a period six months ending on the last day of the month in which protection ends.

Graphical representation

From 2017 it will no longer be necessary to file a graphical representation of the trade mark. While this makes it much easier to file non-traditional trade marks such as sound marks and movement marks, it is important to bear in mind that such marks will still need to be able to function as a badge of origin to achieve registration. It will still be necessary to properly indicate what is to be protected by the trade mark since it must be represented in manner which enables the competent authorities and public to determine the clear and precise nature of the protection afforded to the trade mark owner – we would be happy to advise on this. This change comes into effect on 24 September 2017 (21 months after the publication of the Regulation).

Proof of use period for oppositions

At present an opponent who owns a trade mark registration which is over five years old can be required to file proof of use of that trade mark for the five year period ending on the publication date of the opposed trade mark. This period for which proof of use can be required will change to five years ending on the filing or priority date of the opposed trade mark, whichever is the earlier. Where an opposition is filed before the changes come into effect on 23 March 2016, the old rules will continue to apply.

Opposition period for EU designation of International Registration

The start of the opposition period for International Registrations designating the EU will be changed to run from one month from the date of publication, instead of the current six months period.

Certification Trade Marks

A third category of trade marks will be introduced from 24 September 2017. In addition to standard trade marks and collective trade marks, certificate trade marks will also be allowed. Certification trade marks protect trade marks which certify the characteristics of the goods or services, rather than those which act as an indicator of trade origin.

Automatic Searches

The automatic search conducted by the Office of earlier trade marks as part of the application process will cease. It will be possible to actively request such a search, if required, as well as searches from the individual Offices of the Member States. The Office will still provide notifications to owners of earlier trade marks of the publication of later filed trade marks, unless the owner of an earlier registration or application has asked not to receive such notifications. We would be happy to advise on appropriate searching strategy, if necessary, and offer a free watching service which would identify conflicting marks for a specific period.

Oppositions can be based on PDOs and PGIs

Protected designations of origin and protected geographical indications can be used as the basis for an opposition. They can also still be used in cancellation (invalidity) actions, as was the case up until now. The draft OHIM / EUIPO Guidelines incorporating the changes state that there are no transitional provisions, so this applies to all CTMs / EUTMs regardless of whether they were filed before or after the new Regulation comes into effect.

Goods in Transit

Another aim of the reforms is to provide more effective and efficient ways to deal with counterfeit products. Now trade mark owners will be able to prevent third parties bringing in counterfeit products through the EU, even if the goods are not released for circulation. If the declarant/holder of the goods is able to show that the proprietor of the EU Trade Mark is not entitled to prohibit the placing of the goods on the market in the country of final destination, the goods will be released for export to that country. This change will assist brand owners and customs officials in fighting counterfeits across the EU.

Scope of NICE Classification

CTM's covering class headings were previously deemed to cover the whole alphabetic list of goods and services contained within the particular NICE class prior to 22 June 2012. However, following the IP TRANSLATOR Decision the European Court of Justice decided that this was the incorrect approach. The Court found that in order to guarantee legal security and clarity trade mark registrations should be interpreted as covering the goods and/or services contained within the application, i.e. if the trade mark is registered for the class heading, the protection should cover the literal meaning of the class heading.

This has left the system in limbo and the reforms address how to deal with pre 2012 filings covering the class heading which we discuss in detail under our separate article - **CTM Class Heading Registrations – Scope of Protection**

When does all of this come into effect?

The changes come into effect on 23 March 2016, with a few exceptions including removal of graphical representation requirement and certification trade marks mentioned above.

Contact us by email at info@nucleus-ip.com for further information or if you have any questions, or alternatively call or email your usual Nucleus IP contact for further information.