

WEEKLY NEWS - JULY 06, 2009 Trade mark users set out CTM demands

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The European Commission's forthcoming study of Europe's trade mark system should be "comprehensive and wide-ranging", representatives of users groups said in a letter last week

The Commission is in the "final stages" of putting together the call for tender for the study, which should be published later this month, Margot Fröhlinger of the Commission's Internal Market Directorate told *Managing IP*.

The study of Europe's trade mark systems was proposed by the Council in May 2007 and is expected to address legal and financial issues affecting both the Community trade mark and national trade mark registration systems.

In their letter dated June 29, five organisations – AIM, BusinessEurope, ECTA, INTA and MARQUES – welcome the review of the legal framework and its aim of "leading to harmonisation of procedures, practices and services in the CTM and national systems".

But they warn that, given the complexity of the issues, "sufficient time should be allowed for this study" and it should cover topics including the interaction of the Madrid, CTM and national systems, harmonisation of practices, removal of unnecessary bureaucracy, transparency of the finances and financing of national offices; and users' perceptions of best practices.

The groups also ask the Commission to explore the possibility of further fee reduction proposals for CTMs, including for renewal fees. Reductions to CTM application fees came into force in May this year.

Fröhlinger said that the preliminary results of the study would probably be available early next year, and would be followed by a discussion with member states and users.

The process will be "as collaborative as possible" she added, and will cover both legal and economic issues.

The legal issues include what constitutes genuine use of a trade mark, and whether use in one member state is sufficient to block a challenge. Any changes such as this would require amendments to the CTM Regulation.

Economic issues include the funding and role of national offices and, in particular, their role in enforcement of IP rights.

However, the users' groups cautioned that involving offices in enforcement activities should be "very carefully considered".

The letter said that moving into anti-counterfeiting work "would require a fundamental change of the mission of national offices, may not be an effective way to tackle the issue with quantifiable measures and could be counter-productive".

The study is partly a response to discussions about the relationship between CTMs and national rights in Europe, arising from the success of the CTM and the surplus built up at the Office for Harmonisation in the Internal Market (OHIM).

Measures to deal with the surplus include **May's reduction in application fees** and the setting up of a **cooperation fund** to support national offices.

In the long-term, national offices will also receive a share of CTM renewal fees. While this measure has been agreed, it will require an amendment to the Fees Regulation.

Tove Graulund of Zacco, who represents MARQUES as an observer on OHIM's Administrative Board, told *Managing IP* that the study should focus on how to improve procedures and costs, rather than the relationships between national offices and OHIM: "The perspective should be to study users' requirements and needs and to amend the system, the relationships and whatever to improve conditions for users, obviously without compromising society's requirements for fair treatment, consumer needs and the like."

She added: "I would also like to see the study include the question of what needs to be changed in the Directive and Regulation to remove any existing obstacles to OHIM's increase of e-business initiatives."

Another issue that could be addressed is the independence of national offices from government and their control over budgets.

Fröhlinger will be profiled in the July/August issue of *Managing IP*, available online within the next week.