



European Union - Users voice concerns over proposal to rebrand OHIM, warning that fraudsters will benefit

By Trevor Little

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As trademark counsel know, the value of a strong brand, built up over time and the subject of goodwill, can be a key asset when communicating to users and customers. Reflecting this, users have spoken against proposals to change the name of OHIM – with MARQUES warning that scammers may also capitalise on the resulting confusion.

The prospect of a renamed OHIM was **first covered by WTR last year**, when, amongst the recommendations on amendments to the Community Trademark Regulation (207/2009) and the recasting of the Trademarks Directive (2008/95/EC), came the prospect of the agency becoming the 'European Union Intellectual Property Agency'. At the time, as trademark professionals digested the spectrum of proposals, it was one element that escaped scrutiny. However, in MARQUES' latest comments – published this week – on the Lithuanian Presidency Compromise Proposal to the Trademark Directive of November 19 and JURI Report to the Trademark Directive and Community Trademark Regulation (adopted on December 17 2013), the change of name was one aspect addressed, with the association urging caution against undertaking a rebrand.

The relevant part of the statement, compiled by the MARQUES EU Trademark Reform Task Force, reads: "We have been informed that a name change would lead to expenses estimated to run up to several million euros, and it does not seem appropriate to change the name simply to bring the different agencies 'in line'. Furthermore, the abbreviated name – especially OHIM, but also OAMI and others – have become very well known and are in fact quite distinctive. A name change to a more generic name would as a consequence make it easier for fraudulent companies to send fake invoices as the 'EU trademark office' or other generic versions of the suggested new name."

The statement, then, raises two issues. First, whether spend in the 'millions' range would not be better directed to projects and offerings that more directly benefit users and, second, whether the move will, in fact, open the door to increased confusion and the opportunity for scammers to capitalise on this – particularly in the initial stages of a name-change/rebrand.

Ultimately there are two general audiences that OHIM caters to – those familiar with the body and

those who have not yet come into its orbit but will seek future protection. For the latter, the argument goes that ‘European Union Intellectual Property Agency’ provides a clearer signal about the agency’s role than ‘The Office for Harmonisation in the Internal Market’. This is a hard point to argue against and Bugnion SpA’s **Simone Verducci-Galletti** has first-hand knowledge of the difficulty the current name can pose to the uninitiated. He told *WTR*: “Generally speaking I can agree that the name ‘OHIM’ was not the best choice when it was made. Non-EU colleagues, and also junior colleagues that did not study European Union law at university, often ask the meaning of this strange acronym, and what this has to do with trademarks and design. I remember preparing an entire presentation for Japanese clients, and had to use the acronym OHIM as an opportunity to explain how the entire European market works and the crucial role played by IP rights.” For him the change will not be a great issue as operations will continue and clients enquire about the rights they can obtain rather than by institution name – although he admits “it would make Japanese clients’ lives easier”.

Chris McLeod, director of trademarks at Squire Sanders and **first vice-president** of the Institute of Trademark Attorneys, expands: “My view is that OHIM and its variations were initially hard for practitioners to understand. Indeed, if you tell someone outside our field the full name of OHIM, they would find it difficult to work out what it does, given the lack of any reference to trademarks or designs other than in the phrase which sometimes accompanies the name. However, OHIM has now been in existence for over 17 years, and as a trademark, OHIM is now equivalent to ‘EU trademark office’ to practitioners. It is therefore a trademark which has acquired secondary meaning and is well-known in the relevant sector.”

Then there is the ‘scam’ issue that MARQUES points to and the warning that users could find themselves subject to increased attention from fraudulent solicitations. The challenge posed by such campaigns, in which entities pose as trademark offices and request application and renewal fees, **have long been evident** and offices like OHIM have been proactive in fighting back. Yet the fact that these campaigns continue suggests they must be achieving a level of success and McLeod notes: “I agree with MARQUES that it will make it easier for those offering unofficial ‘registration’ or related services to be confused with OHIM. For whilst they cannot have any excuse for using OHIM in their correspondence, there are multiple variations on the proposed new name which could sail very close to the wind and create consumer confusion.”

To further reduce the opportunity for such scams in the context of an agency name change, marketing will be key. And this is where the money aspect comes into play. Whether that cost will indeed run into the millions of dollars remains to be seen but – **in previous correspondence to the European Parliament** - MARQUES has stated: “We have been informed by OHIM that the cost is in the region of €4.5 million, a sum which could well be used to fund important harmonisation projects.” **Florian Schwab**, partner at Boehmert & Boehmert, agrees, telling *WTR*:

“To me the proposal of a name change seems unnecessary, overly-bureaucratic and somewhat ridiculous and the costs for the change are not justified. OHIM should invest the surplus, for example, in substantive work.”

Ultimately the decision over OHIM’s name will be taken at a political level rather than by the trademark community, and Tove Graulund, principal of **Graulund IP Services** and a member of the **MARQUES EU Trademark Task Force**, has urged a rethink on the basis that spend on a cosmetic exercise may be hard to justify: “I see no reason to change the name. OHIM is quite distinctive and actually a very good trademark for a public institution. All stakeholders know the name, and it has worked very well for almost 20 years now. So well that, even if you don't speak any Spanish and you're in Alicante, you can say OAMI to the cab driver and you are taken straight there! Seriously though, to me it seems like an unnecessary cost, especially with persistent financial difficulties in large parts of the EU. I certainly wouldn't want to try to justify it to the Spanish cab driver.”

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