Blog

European Union - Latest EU proposals hint at future possibilities for OHIM

By Trevor Little
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The proposed changes to the EU trademark system have taken another step forward with **publication of the European Parliament Rapporteur's recommendations** on amendments to the Community Trademark Regulation (207/2009) and the recasting of the Trademarks Directive (2008/95/EC). As well as suggesting a number of key changes, the documents outline potential new areas of responsibility for the 'European Union Intellectual Property Agency'.

WTR previously reported on national office unease over a number of the recommendations, not least the mandatory nature of cooperation with European projects. In the new documents, co-existence is a common theme (the rapporteur, Cecilia Wikström, writes that "whilst having a generally positive outlook on harmonisation, it also has to be noted that some of the proposals of the Commission go too far"), and it is explicitly stated that it should not be mandatory, Wikströmnow arguing: "While it is important that all parties contribute to the success of common projects, not least by sharing best practices and experiences, a strict obligation requiring all member states to implement the results of common projects, even where, for example, a member state believes that it already has a better IT or similar tool in place, would be neither proportional nor in the best interests of users."

Commenting on the change, Tove Graulund, chair of the **MARQUES** Study Task Force (and principal of **Graulund IP Services**), says: "The mandatory aspect was difficult to accept as realistic – I can see the sense in it for projects that are important for users, such as the seniority project, but I am sure there will be other times when a project can't take off, perhaps because offices have something better already. I think it's a sensible solution – the 'mandatory' requirement could become an obstacle to projects that would otherwise be good for users."

A further suggestion that will benefit users is, with respect to common projects of EU interest, that "throughout all phases … the Agency shall consult with representatives from users". Wikström expands: "As the common projects are intended to provide additional value for users, it would seem reasonable to include them in the process. This would also reflect current practice."

In terms of the funding of these projects, rather than the previous suggestion that the total amount of funding should not exceed 10% of OHIM's yearly income, a higher 20% level is proposed.

Presenting a user perspective, Graulund told *WTR*: “MARQUES is not interested in funds going to the European Union’s general budget so 20% may be fine one year, but what about other years? Ultimately the funding should be project-led – projects should be initiated because they have justification and relevance for the users and not simply because the surplus needs to be spent.”

One notable deletion as it relates to national office practice is the requirement that national offices examine absolute grounds for refusal in all national jurisdictions and languages of the EU, stating: “It would be disproportionate and practically unworkable… [and] would further run contrary to the principle of territoriality of rights. For users there would be little or no added value to have the application examined for obstacles to registration in other territories than the one for which it would be valid for.”

The abolishment of relative grounds remains however, although Wikström states that it “</Amend> </Article>would be reasonable to allow offices to provide applicants with searches and proprietors of earlier rights with notifications, also *ex officio* and not only upon request. These searches and notifications should however be purely informative and without effect on the registration process”.

Another important issue for brand owners is that of goods in transit, with the initial proposals arguing that mark owners "should be entitled to prevent third parties from bringing goods into the customs territory of the member state without being released for free circulation there, where such goods come from third countries and bear without authorisation a trademark which is essentially identical to the trademark registered in respect of such goods”. The move was welcomed by many brand owners, but Wikström adds a caveat to this, stating: “In order not to hamper legitimate flows of goods, this rule should only apply if the proprietor of a European Union trademark is able to show that the trademark is validly registered also in the country of destination. This rule should be without prejudice to the Union's right to promote access to medicines for third countries.”

She explains: “Although it is important to take measures against counterfeiting, the Commission proposal on goods in transit goes too far in that it would limit legitimate international trade. It should thus be up to the proprietor of a registered trademark to provide evidence that the trademark is also validly registered in the country of destination.”

Elsewhere, the fee structure is incorporated into the regulation rather than left to delegated acts and a number of governance-related changes are outlined.

A final suggestion, which offers a tantalising glimpse into the possible future for OHIM is that – instead of being renamed the ‘European Union Trademarks and Designs Agency’ - the new proposed name for OHIM is the ‘European Union Intellectual Property Agency’.

Explaining the change, the rapporteur argues: “A name should be chosen that can both convey

the broad range of tasks entrusted to the agency and last if new tasks are added in the future. Given the fact that the agency hosts the Observatory on Infringements of Intellectual Property Rights, as well as the registry of recognised orphan works, the work clearly goes beyond the scope of just trademarks and designs, even though these are the core competencies of the Agency. Furthermore it is foreseeable that additional items such as registration of GIs and tasks in relation to trade secrets could be added to the competences of the Agency in the future."

The current issue of *WTR* **takes an in-depth look at OHIM** and the initial proposals, and the latest document will be the subject of some scrutiny - *WTR* understands that both ECTA and MARQUES are to comment on the new proposals in the coming days. There is still some way to go but in the meantime the documents offer an interesting insight into the potential future of an expanded OHIM.

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