

OHIM

The year in review

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OHIM – the users’ perspective

For the past six years, the October/November issue of *WTR* has taken an in-depth look at the Office for Harmonisation in the Internal Market (OHIM), seeking the views of the top representative filers and then asking OHIM to respond to user queries. This year, the research has been expanded to include the views of brand-owning filers on what has been another busy year in Alicante

Just over a year ago, the Office for Harmonisation in the Internal Market (OHIM) released initial details of its new strategic plan, setting out three key objectives – to build a strong, vibrant organisation; to improve quality and optimise the timeline of operations; and to promote convergence of practice – and announcing a strategic reorganisation to achieve these aims. By the end of 2011, having just broken the 100,000 Community trademark (CTM) application barrier for the year, President Antonio Campinos set out OHIM’s goals for 2012. On a practical level, he noted that OHIM would aim to tackle the backlogs in invalidity proceedings and cancellations, while working to increase predictability and consistency in decision making.

Progress is being made in these areas. Predictability and consistency are discussed later, but on the topic of cancellations, Campinos explains: “During 2011, a special team was put in place to tackle the backlog in cancellation decisions. In the second quarter of this year, 86% of files were complying with the new standard to notify the decision within 16 weeks of the end of the adversarial part of the proceedings, compared with just 12% in the first quarter of 2011.”

On a wider scale, the goal of convergence represents an overriding theme – both for OHIM and in the minds of users.

A question of convergence

Convergence (replacing the previous descriptor ‘harmonisation’) of practice between OHIM and national offices is certainly a goal that users support. When asked by *WTR* what changes to the European trademark system would be of greatest benefit to stakeholders, respondents most commonly cited consistency in approach and decision making.

Several forms of further convergence were suggested, including “closer harmonisation in practice between national offices and OHIM in order to create a uniform and predictable practice”, “being

able to file applications in any EU country via the OHIM website”, allowing “inexpensive office proceedings for challenging marks based on non-use following OHIM’s example”, and making “revocation and cancellation actions an option at all EU registries rather than forcing such actions to be heard in the courts at much greater cost and sometimes before non-specialist judges”.

Considering the wider strategy for a European Trademark and Design Network, Campinos told *WTR*: “Our strategy is both to invest in higher quality in every aspect of what we do and to cooperate more closely with the other offices – within the European Union and also globally. This network is being established through a trilogy of actions, comprising work to further harmonise legislation being led by the European Commission; the creation of common IT tools under the Cooperation Fund; and voluntary convergence of practice via a Convergence Programme.

“The commission is taking the lead on the legislation issue, but with regard to the other two areas, already something like 300 people from all over the European Union are working on projects and this is set to double later this year. This is a true partnership effort – involving national IP offices, user organisations, the European Patent Office and the World Intellectual Property Organisation (WIPO) – and we have 18 common IT projects planned covering everything from e-filing to back-office file-handling, quality, e-learning and even enforcement databases.”

On voluntary convergence of practice, he added: “The Convergence Programme has five projects up and running, with almost 100 individuals from the EU Offices working on one or more projects. In addition to trying to reach a common interpretation of the scope of class headings in trademarks, other projects deal with the harmonisation of classification of goods and services, absolute and relative grounds for refusal and some issues dealing with the scope of protection of trademarks.

“I think we are now at the stage of saying that while the European Trademark and Design Network is still evolving, it is already a reality and is making a big difference. We can see this in the fantastic cooperation going on tools and voluntary convergence of practice. One of the first tangible results of the network will be the implementation of the important agreement on class headings practice”.

Another desirable mentioned by a number of participants was clear guidance on the issue of genuine use of a mark in the Community – an issue which has been the centre of heated debate. On July 5 2012 Advocate General Sharpston issued her opinion in *Leno Marken BV v Hagelkruis Beheer BV* (Case C-149/11), taking the

position that use of a CTM in one member state can constitute genuine use in the Community – but not necessarily: “Article 15(1) of [Regulation 207/2009] must be interpreted as meaning that (i) use of a CTM within the borders of a single member state is not, of itself, necessarily sufficient to constitute genuine use of that trademark, but (ii) it is possible that, when account is taken of all relevant facts, use of a CTM within an area corresponding with the territory of a single member state will constitute genuine use in the Community. Genuine use in the Community within the meaning of Article 15(1)... is use that, when account is taken of the particular characteristics of the relevant market, is sufficient to maintain or create market share in that market for the goods and services covered by the CTM.”

More in-depth reaction to the opinion is presented on page 34. *WTR* also asked the top filers for their reaction to the advocate general’s approach – and received a mixed response.

Pros and cons

On one side were those who agree that a case-by-case approach must be adopted, as suggested by Roland Mallinson, a partner at Taylor Wessing: “Rightly, there is no strict rule and cases should still turn on their facts. Often, an assessment of the true genuineness of any use is instinctive. Trademark law would look somewhat foolish if a CTM in Class 36 could not be sustained through major and widespread use of a name in just one hub of European finance such as the City of London or Frankfurt, especially if it had an enhanced reputation there.”

Under this approach, national borders are irrelevant in assessing whether there is sufficient use within the European Union – rather, decisions hinge on the specific sets of facts and trademark use.

However, on the other side of the argument are those who feel that such a decision would result in both continued uncertainty and an evidential burden on trademark counsel.

One in-house respondent told *WTR*: “The unitary character of the CTM is at stake here. If the Court of Justice of the European Union (ECJ) follows the principle stating that genuine use of a CTM cannot be evidenced in only one country, this therefore implies that there would be uncertainty for trademark owners on the vulnerable character of certain trademarks. Indeed, at the moment, in order to assess the vulnerable character of a CTM registration, it is necessary to check only whether it is being used in one territory in the European Union.

“However, if the unitary character of CTMs were to be broken, trademark owners would then need to investigate several markets to have visibility on that – just how many countries would be necessary? And if the ECJ decides on a number of countries in which use must be evidenced, how relevant would this be versus the importance of each market? For example, evidence of use in the German territory would be more relevant than evidence in several small markets. It would therefore not benefit trademark owners in terms of clarity.”

Jean-Pierre Maeder, group head of brand IP at Nestlé Legal, added: “The advocate general has stated that ‘genuine’ use is use that, when account is taken of the particular characteristics of the relevant market, is sufficient to maintain or create a market share in that market for the relevant goods and services. This may be an effective counter-criterion to outweigh the ‘small member state’ intervention. However, the requirement raises the question of what kind of evidence will be needed to demonstrate such characteristics of the market, and what actually is necessary to maintain or create market share in that market. Also, I wonder how any such evidence collected by the parties will be assessed by OHIM? After all, we are lawyers, not economists.”

Methodology for filing tables

OHIM data lists the Community trademark (CTM) filings originating from individual offices (with each designated a unique CTM representative code). This means that a single firm can have multiple entries, in multiple countries, under the same firm name (because the named firm filed via a range of individual offices, each designated its own unique CTM representative code). To obtain an alternative perspective on the market, *WTR* compiled the tables in this article, using data kindly provided by OHIM, by adding the filings of all offices (filing 25 or more CTMs) of each named firm and/or brand owner. Having compiled the list according to overall filings by firm name, we then compiled the top 10 country lists according to each firm’s country of origin; so, for instance, Hogan Lovells appears in the UK table, not the Spanish table. While every care has been taken to guarantee that all relevant figures were considered, *WTR* accepts no responsibility for any errors in the tables.

Others feel that ultimately, the opinion (if followed by the ECJ) does little to clarify the situation: “The opinion provides that use in one country may or may not be considered as genuine use. This means that the question of genuine use is still as vague as before.”

Back to class

A key area of convergence, as noted, relates to class headings, an area in which OHIM has been making considerable advances. In June, representatives from national IP offices, user associations and OHIM reached agreement on the principles of a new common practice on the treatment of class headings, which will be presented to national offices. Under the proposals, a new common practice would see the creation of a structure of ‘class scopes’, based on the taxonomy system created through the Harmonisation of Classification project.

Campinos expands: “The taxonomy is a new hierarchical structure of goods and services under the Nice Classification, with broader terms on top and more specific terms below, which has been drawn up to facilitate data maintenance and improve users’ experience in finding the appropriate goods and services. Once we have completed the taxonomy, the structure will be put at the disposal of users, by becoming an integrated part of EuroClass.

“The class scope, based on the taxonomy system, is a group of terms which collectively designate all known goods and services within a class at a specific point in time. A class scope consists of the highest level of group titles that are acceptable for classification of the taxonomy structure, for a particular class – it is broad enough to cover all classifiable terms in a class, while being specific enough for classification.”

The principles of the new common practice will be proposed to OHIM’s Administrative Board and Budget Committee in November. Campinos explains: “Reaching agreement in principle on using class scopes has been a vitally important step, but we recognise that there is still some way to go before this is put into practice by all offices, and that is something we are continuing to work on.”

Again, overall the feedback on this progress was positive, although many practitioners polled by *WTR* have taken a ‘wait and see’ approach to the eventual outcome and adoption by all stakeholders.

While one respondent predicted that the project could result in extra work for filers – which will have to adapt to a new system – others felt that consistency in approach would facilitate their work. One surmised: “If OHIM and the national offices have reached

Survey methodology

In July 2012 *WTR* sent out a survey to the 40 leading agent filers of Community trademarks, and top 25 brand-owning filers, listed in the tables on pages 19 and 27. Respondents were asked 30 questions on a range of topics, designed to explore current issues surrounding the European trademark regime and to assess OHIM's performance over the past 12 months. The key results are set out in the text and accompanying graphics. In order to guarantee candid answers, respondents were offered the option of having their comments unaccredited when used in the article.

agreement on the principles of the new common practice for the treatment of class headings, I value this as a step towards the harmonisation of classification of goods and services between CTMs and national/international marks.”

This sentiment is echoed by Tove Graulund, MARQUES representative and principal of Graulund IP Services. She notes: “People are tired of the fact that offices around the globe – not just in Europe – classify differently even though they are members of the Nice Agreement. It makes things very difficult. OHIM is running a project with national offices and we also have the Nice Agreement. These things need to be synchronised as it is unnecessarily complicated at present – and makes things more expensive for users.”

An expanding remit

Elsewhere, OHIM has been given the green light to expand its activities into new areas. On June 5 2012 EU Regulation 386/2012, which entrusts OHIM with the European Observatory on Infringements of Intellectual Property Rights, took effect. In terms of remit, the Council of the European Union clarified that the role will not bring OHIM into the realm of proactive policing, stating: “The new tasks of OHIM do not extend to participation in individual operations or investigations carried out by national authorities.” Rather, it has been given responsibility for a wide range of tasks relating to research, training, communication, the development of advanced IT support tools and the enforcement of all types of IP rights.

The users polled by *WTR* were generally positive about the move, although concerns were expressed that it could prove a distraction from OHIM's core role as a registration office, and that OHIM has traditionally not boasted expertise in these new areas. One respondent contended: “These new tasks have nothing to do with the traditional OHIM tasks and have to be executed by specialists in the field.”

However, there was a consensus that OHIM has the necessary funds to develop this role, with Mallinson stating: “Anything that increases the capture of accurate data on the scale of trademark counterfeiting (and ideally also of copyright/design piracy) and cooperation between law enforcement agencies is to be encouraged. Whether this is done through OHIM is immaterial, but it does seem a wise use of the OHIM surplus. Education and awareness are key to this process. Often, governments invest little or nothing into this. To have OHIM's surplus directed at helping with awareness campaigns, but at a local level, would be extremely beneficial. The focus needs to be on counterfeiting and piracy only, however. Other forms of IP infringement are a distraction and best left to civil enforcement.”

That said, some users cited a need to additionally consider lookalikes and the use of trademarks and designs on product packaging, arguing that a wider brief would be more appropriate.

Figure 1. In general terms, how would you rate OHIM's performance over the past 12 months?

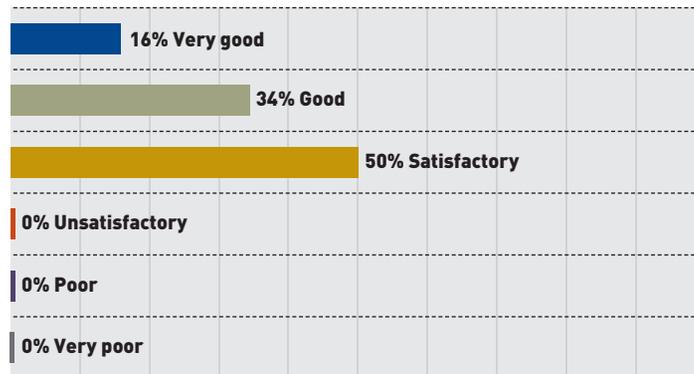


Figure 2. In general terms, how would you rate OHIM's performance in terms of handling CTM applications over the past 12 months?



Figure 3. In general terms, how would you rate OHIM's performance in terms of CTM opposition action over the past 12 months? Has it improved over the previous year?

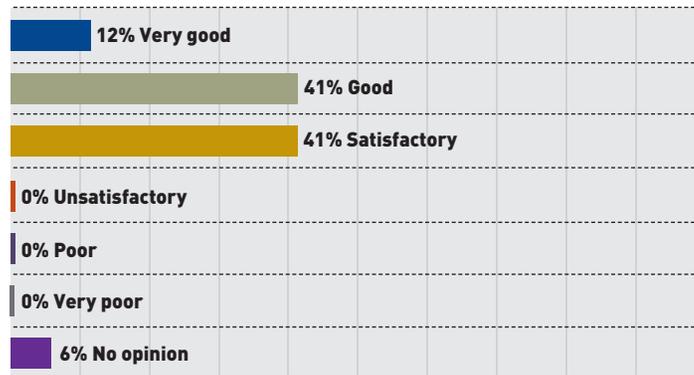


Figure 4. In general terms, how would you rate OHIM's performance in terms of CTM appeals over the past 12 months?

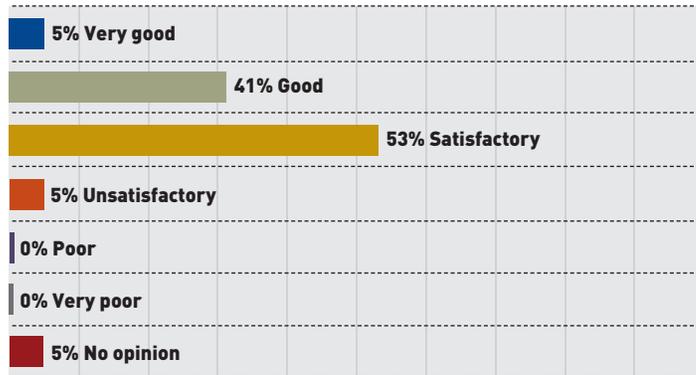


Figure 5. In general terms, how would you rate OHIM's performance in terms of handling registered Community design applications over the past 12 months?



Figure 6. How often do you use the e-opposition procedure?

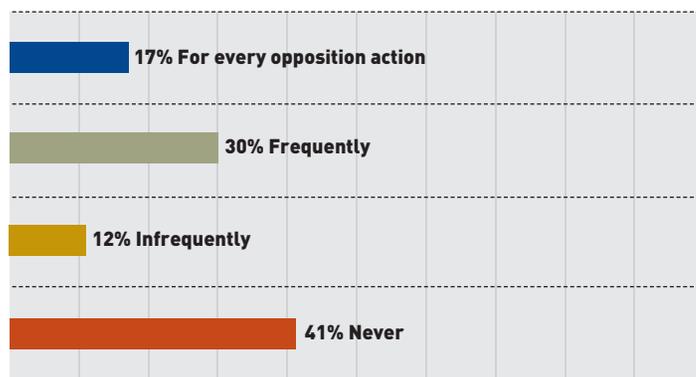


Figure 7. TMView is now two years old. Have you used the system yet?

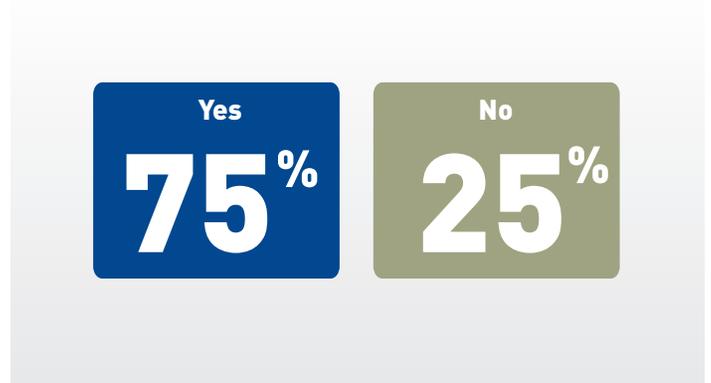


Figure 8. Would you like to see a cut in the CTM renewal fee?

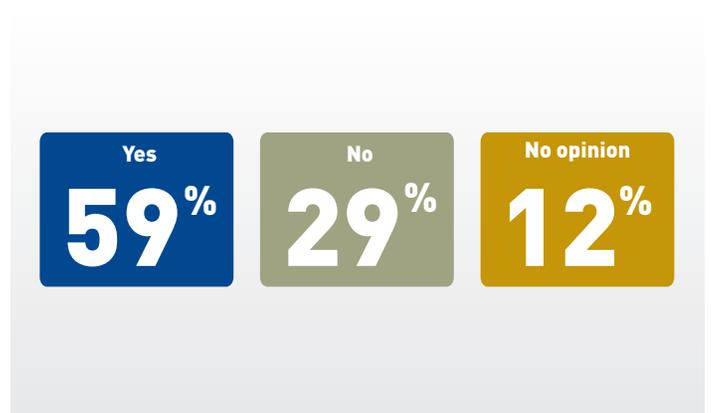
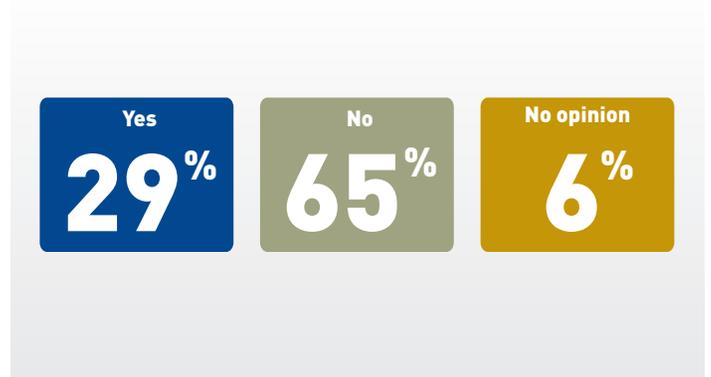


Figure 9. Would you like to see a cut in the CTM opposition fee?



One question that was posed related to the practical impact that such data would have for users. “From what I have read, this project aims ‘to set up an electronic tool to support strategic enforcement decision makers in measuring, determining and targeting enforcement action based on consistent, reliable information’ and ‘provide not only accurate visual dashboards but also will allow interactive analysis,’” responded one user. “To me, this scope of the project seems somewhat vague, and as a decision maker, I am not quite sure what the visual dashboard or data will help me with. Either you decide to enforce a trademark and stop a counterfeit or you don’t. Besides, quite a lot of statistical data on counterfeiting is already available through the customs authorities, the International Chamber of Commerce or other bodies. But let’s see what OHIM will make of this. If it helps to identify particular borders where particular counterfeit products come in, it would be helpful.”

On the enforcement benefit that the observatory will bring to rights holders, Campinos explains: “The Cooperation Fund includes two projects specifically aimed at supporting the enforcement of IP rights – a database tool to facilitate the access of enforcement officers to IP registries and the exchange of information with rights holders in order to help identify counterfeits; and a counterfeiting and piracy support system to gather, analyse and report data and information. One of the observatory’s key aims will be to provide a methodology that underpins this system and allows us to properly report the scope and scale of counterfeiting and piracy in the European Union. Once the methodology has been developed, the next step will be to exploit it further and try to identify trends in specific sectors.”

Going forward, Graulund similarly identifies a need for clarification on the observatory’s activities, but is optimistic in her outlook: “What we have said from the beginning is that we are not against the observatory transferring to OHIM, but we don’t yet know what it means. It is important that the users that deal with counterfeiting on a daily basis, and that know what the problems are, are involved. We have been assured that this will be run in the same way as the Cooperative Fund and convergence projects, whereby everyone knows the objectives and the start and finish times of projects. In such a collaborative effort, it should actually be easier to work with OHIM than the commission, as it is more instantly accessible. So it could turn out very well.”

Building a complete picture

One observatory project for which Campinos has outlined his

“While TMView is not trying to compete with professional search services out there, trademark information needs to be easily available as a public information service and should not be restricted”

Figure 10. Last year OHIM introduced a mediation service as an alternative to appealing to the Boards of Appeal in trademark and design cases. Were you aware of this service and have you/would you consider utilising it?

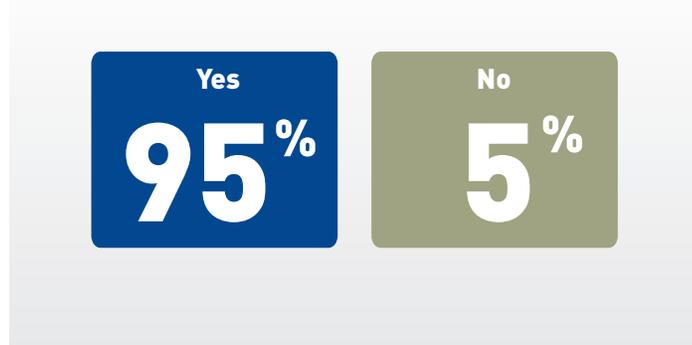
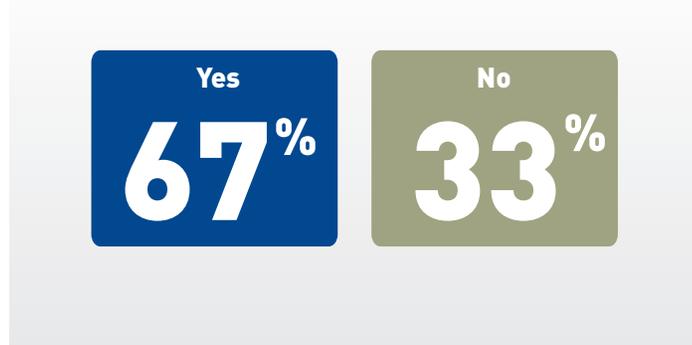


Figure 11. One project that the observatory will undertake is a study identifying the sectors that generate the most intellectual property and the positive impact of those sectors on the European economy. Do you support this sort of undertaking?



enthusiasm is a study identifying the sectors that generate the most intellectual property and their positive impact on the European economy – a tool which will be used to highlight the positive contribution made by intellectual property at a time when cynicism is increasing. Two-thirds of WTR survey respondents (see Figure 11) viewed the move as positive.

Several filers pointed to the value that objective figures, based on quantifiable facts, would have in terms of framing the public debate on intellectual property and outlining its role as a tool for innovation and development, rather than a restrictive force. One practitioner suggested: “This is a very important initiative in our view, as the link between IP rights (thus innovation and brands development) and the European economy is not sufficiently established. OHIM statistics and national studies are clearly demonstrating this link, and further data illustrating that would have a great impact when considering the importance of IP rights in the economy and the need to strengthen them in the future through more efficient enforcement against infringements.”

On the flipside, some voiced concerns about the impact of such a study among the wider public and wondered whether funds could be better used elsewhere. One trademark counsel added: “We question the merits of this, since all sectors generate IP rights of one

Top 40 representative filers (12 months to May 31 2012)

Position	Representative name	Representative country of origin	CTM filings
1	Bureau Gevers	BE	787
2	Marks & Clerk LLP	GB	754
3	Novagraaf Nederland BV	NL	644
4	Boehmert & Boehmert	DE	630
5	Forresters	GB	568
6	Jacobacci & Partners SPA	IT	539
7	Clarke, Modet Y Cia SL	ES	442
8	Elzaburu, SLP	ES	438
9	Grunecker, Kinkeldey, Stockmair & Schwanhausser	DE	436
10	J Isern Patentes Y Marcas	ES	433
11	Bugnion SPA	IT	422
12	Boult Wade Tennant	GB	421
13	Hogan Lovells	GB	414
14	Taylor Wessing LLP	GB	396
15	Ungria Lopez	ES	391
16	Barzano & Zanardo	IT	386
17	Harrison Goddard Foote	GB	385
18	Cabinet Germain & Maureau	FR	377
19	Kilburn & Strode LLP	GB	375
20	Field Fisher Waterhouse LLP	GB	370
21	Perani & Partners SPA	IT	354
22	Pons Patentes Y Marcas Internacional, SL	ES	352
23	Jeffrey Parker and Company	GB	331
24	D Young & Co LLP	GB	327
25	FRKelly	IE	320
26	Herrero & Asociados	ES	319
27	Withers & Rogers LLP	GB	309
28	Ipulse (IP) Ltd	GB	305
29	Novagraaf France	FR	305
30	Zacco Netherlands BV	NL	301
31	Murgitroyd & Company	GB	297
32	Urquhart-Dykes & Lord LLP	GB	287
33	Mewburn Ellis LLP	GB	276
34	Albihns Zacco AB	SE	261
35	Bureau Casalonga & Josse	ES	257
36	Cabinet Easyloi	FR	256
37	Gill Jennings & Every LLP	GB	255
38	RGC Jenkins & Co	GB	247
39	Nederlandsch Octroobureau	NL	246
40	Dehns	GB	245

Top representative filers of CTM applications from Italy for the 12 months to May 31 2012

Position	Representative name	Country of origin	CTM filings
1	Jacobacci & Partners SPA	IT	539
2	Bugnion SPA	IT	422
3	Barzano & Zanardo	IT	386
4	Perani & Partners SPA	IT	354
5	Modiano	IT	228
6	Studio Torta SPA	IT	228
7	Societa Italiana Brevetti SPA	IT	221
8	Notarbartolo & Gervasi SPA	IT	165
9	Giambrocono & C SPA	IT	145
10	Porta, Checcacci & Associati SPA	IT	140

type or another and no business can maintain a competitive advantage if it allows its IP rights to be exploited by others without control. How do you value that? Use of the word 'most' may be the concern. Quality, not quantity, of IP rights is what matters – that is, how effective they are at doing their job."

Speaking in support of the study, Lidy-Anne Jeswiet, managing director of Gevers and Partners, agreed: "Numbers speak for themselves and are often necessary to enable objective statements to be made, but we do have to be careful not to create levels in how IP protection is perceived. It is not because of the fact that certain sectors generate a lot of intellectual property and have a positive impact on the economy that they should be looked at differently from those having a less positive economic impact."

Mediating change

On page 30 Campinos expands on the plans, but another development which has signalled an expansion of activities is the introduction of mediation as an alternative to the Boards of Appeal in trademark and design cases. OHIM has stated that to qualify for the service, an appeal must have already been filed, with payment of the normal appeal fee of €800. If the mediation takes place at OHIM's premises in Alicante, no further fee is payable; alternatively, mediation can be offered at OHIM's Brussels office on payment of a fee of €750.

Awareness of the new offering was high among the filers polled by WTR – 95% had heard of the mediation service.

While some law firms had suggested that their clients avail of the service, none of the respondents (both law firms and corporate teams) had utilised it to date. For some private practitioners, this hesitancy stems from the knowledge that they themselves offer similar services and would therefore be out of pocket if more clients turned to OHIM. As one candidly stated: "We always try to settle CTM oppositions, and we would rather earn fees for doing the work than pay OHIM to do it!"

Another potential drawback highlighted by potential users is that by the time the service becomes available, settlement may no longer be a viable option. "If you are in appeal, the talking is generally over, or too late," one suggested.

Another practitioner told WTR: "It is good to have this additional

Top representative filers of CTM applications from the United Kingdom for the 12 months to May 31 2012

Position	Representative name	Country of origin	CTM filings
1	Marks & Clerk LLP	GB	754
2	Forresters	GB	568
3	Boult Wade Tennant	GB	421
4	Hogan Lovells	GB	414
5	Taylor Wessing LLP	GB	396
6	Harrison Goddard Foote	GB	385
7	Kilburn & Strode LLP	GB	375
8	Field Fisher Waterhouse LLP	GB	370
9	Jeffrey Parker and Company	GB	331
10	D Young & Co LLP	GB	327

Top representative filers of CTM applications from Spain for the 12 months to May 31 2012

Position	Representative name	Country of origin	CTM filings
1	Clarke, Modet Y Cia, SL	ES	442
2	Elzaburu, SLP	ES	438
3	J Isern Patentes Y Marcas	ES	433
4	Ungria Lopez	ES	391
5	Pons Patentes Y Marcas Internacional, SL	ES	352
6	Herrero & Asociados	ES	319
7	Pons Consultores De Propiedad Industrial, SA	ES	221
8	Abril Abogados	ES	194
9	Duran – Corretjer, SLP	ES	178
10	Ars Privilegium, SL	ES	138

option to solve matters amicably. However, it should be made available to users much earlier, not just at the appeal stage, after payment of the appeal fee has been made. Should it be available earlier in the proceedings, we would consider using it more often.”

Campinos points out that the mediators have been trained by the London-based Chartered Institute of Arbitrators or the Centre for Effective Dispute Resolution. “We introduced the service in response to interest expressed by users and have received encouraging comments and inquiries from one of the parties in a number of cases,” he notes. “However, we have not yet had any cases in which both sides have opted for this new service and that’s what is needed for mediation to work.”

He adds: “Some people have suggested that it might be more popular at the opposition level, but I think we need evidence that lawyers, who have a great deal of influence here, want mediation before talking about an extension. The industry must show there is a real desire for this initiative by giving us some cases. It may be that, in reality, our Boards of Appeal are already providing a pretty good service that is considered to be quick and inexpensive. It would be a different matter if it were a very costly process taking years; so to some extent we may be the victims of our own success here.”

Assessing performance

When considering the additional roles that OHIM could play, a familiar refrain was, ‘Not at the expense of the day job’. In this regard, it is important to consider how users feel OHIM is faring in terms of its trademark and designs duties, as success here could give sceptics greater comfort about the extension of its activities.

Last year, two-thirds rated OHIM’s performance in the previous 12 months as satisfactory, with 8% stating that it was unsatisfactory (9% said it was very good and 16% good). This was a slight increase on the figures from 2010, and the positive trend continued this year. Exactly half of all respondents rated OHIM’s performance for the 12 months to July 2012 as satisfactory, with one-third (34%) rating it good and 16% as very good.

Respondents further observed that “transfers of rights are handled quickly and efficiently”. Maeder expanded: “The good thing about OHIM is that, in contrast to some national trademark offices, it does not stand still, but continuously strives to improve its services and user satisfaction – for example, by the various projects sponsored under the Cooperation Fund. It is also transparent and

provides a lot of useful information.”

Turning to the most significant improvements over the past year, two innovations were frequently cited – TMView and the Euroclass database.

This year saw the release of the second version of TMView, which allows users to search, free of charge, trademarks from 20 participating IP offices. The new version offers the possibility of setting alerts and brought about changes in the available search options. Two years on from its initial launch, three-quarters of respondents had used the tool, with their feedback overwhelmingly positive.

If there was one criticism, it was that the participation of more countries would make the tool truly indispensable – at present, it cannot fully compete with the paid offerings of IP vendors (of course, this would effectively put OHIM in competition – albeit not for user fees – with other companies operating in the sector).

Campinos responds: “TMview and EuroClass have the potential to become tools of global importance, helping to unite the IP world and make things a lot more transparent and simple for users. While TMView, for example, is not trying to compete with the professional search services out there, trademark information needs to be easily available as a public information service and should not be restricted. It is already a step forward to have a search, free of charge via TMView, of the trademarks of all official trademark offices which are participating at national, international and EU level.”

A side benefit of the tool is identified by Graulund, who notes: “If more offices joined TMView, it would be a positive development, as it would mean that more databases would have to be electronic.”

EuroClass, meanwhile, allows users to compare the classification databases of participating offices.

Campinos explains that the expansion of systems is set to continue: “Our priority is to finalise the participation of all EU offices in both EuroClass and TMview. We are confident that this will be attained in the coming months. In parallel, we have memoranda of understanding with a number of other offices outside the European Union under which integration into TMView is one of the common objectives.

“Of course, we would be delighted to take a step further, and we have been cooperating with WIPO to look at ways in which we can coordinate and share data in order to produce databases with a global reach. We share the same vision in this respect and we need

Top representative filers of CTM applications from Germany for the 12 months to May 31 2012

Position	Representative name	Country of origin	CTM filings
1	Boehmert & Boehmert	DE	630
2	Grunecker, Kinkeldey, Stockmair & Schwanhauser	DE	436
3	Friedrich Graf Von Westphalen & Partner	DE	245
4	Mitscherlich & Partner	DE	244
5	Meissner, Bolte & Partner	DE	224
6	Wuesthoff & Wuesthoff	DE	164
7	Cohausz & Florack Patent- Und Rechtsanwälte Partnerschaftsgesellschaft	DE	153
8	Harmsen Utescher	DE	152
9	Rau, Schneck & Hubner	DE	141
10	Hoffmann Eitle	DE	138

to work together.”

Users are certainly embracing the range of available e-tools. Queried as to the percentage of CTM applications conducted through e-filing, 88% of respondents said that they route between 90% and 100% of their applications this way. In terms of potential improvements, one respondent suggested: “It is like many things: first it is difficult, but once you get into it, it is easy. So generally, we find the system OK to use. What could be improved – particularly after *IP TRANSLATOR* – is having the class headings appear by default (you first have to delete them before you can put in your individual list of goods). Also, the function to allow a print of the draft for review prior to actual filing could be made easier and more obvious. At present, it is not easy to apply the ‘four-eyes’ principle to applications.”

The e-opposition procedure is slightly less popular with the filers polled. While almost one-fifth of those polled use it for every opposition action, 12% are infrequent users and 41% have never availed of it. The main issue tends not to be problems with the system itself (although it can be prone to glitches), but rather the nature of oppositions.

One filer explained: “Oppositions are more complicated than applications because of the sometimes high number of earlier rights on which oppositions are based. In these cases, it is faster to work offline and attach copies of the trademarks. Also, it is easier to spot mistakes in print than on a screen before filing.”



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Areas for improvement

Turning back to the issue of improvements over the past year, another theme that emerged is timeliness. In particular, the swift reaction to the *IP TRANSLATOR* decision (see box on page 26) was cited as “confirmation that OHIM works efficiently”.

Verena V Bomhard, a partner at Hogan Lovells, observes: “In general, OHIM runs proceedings more quickly and smoothly. We have experienced a significant improvement in terms of turnaround times in the registration process, as well as in opposition and appeal proceedings. There are, however, major delays in the registration and fees service, in particular relating to conversion requests, and this should improve.”

Concerns were also voiced that there is still room for improvement in the consistency and standards of decisions. One law firm respondent mused: “The difference is between speed of response, which has improved, and quality of response, which has fallen. There may be a correlation here.”

Expanding on the problem, Mallinson explained: “We’ve had a number of cases where examination reports have not addressed our arguments at all and examples of inconsistencies between examiners. The former can be a consequence of examiners using template paragraphs that have been cut and paste from other decisions without sufficient tailoring.”

Decision speed remains important. Campinos notes that while the Service Charter standards for the publication and registration of CTMs were reduced by one week to 10 weeks and 25 weeks

Top representative filers of CTM applications from Benelux for the 12 months to May 31 2012

Position	Representative name	Country of origin	CTM filings
1	Bureau Gevers	BE	787
2	Novagraaf Nederland BV	NL	644
3	Zacco Netherlands BV	NL	301
4	Nederlandsch Octrooibureau	NL	246
5	Office Ernest T Freylinger SA	LU	241
6	Merkenbureau Knijff & Partners BV	NL	229
7	Merk-Echt BV	NL	203
8	Vereenigde	NL	182
9	Elzas Noordzij BV	NL	156
10	Algemeen Octrooi-En Merkenbureau	NL	131

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respectively during 2011, during the first half of 2012 99% of trademark applications for straightforward files – that is, those not experiencing opposition or appeal – were being published and registered within the new standard times.

However, he acknowledges that timeliness is “only one, albeit important, aspect of quality”.

The organisation is also “engaging in a complete root and branch rethink of what we mean by quality in order to arrive at a more holistic approach. Concerning the revision of quality criteria, quality check processes and examination practice, during 2011 the quality management mechanism for decisions in absolute grounds and relative grounds and classification was redirected towards true quality management using the reported data as a means of analysis of performance. The tangible results range from more and better *ex-post* checks, better quality databases and updates of our manuals of trademark and design practice.”

On the issues of registrability issues and evidence of acquired distinctiveness, one respondent added: “It is often impossible to obtain evidence from third parties without going to the enormous expense of arranging for survey evidence. The applicant’s evidence should be sufficient and given credence.”

Last year, a common complaint was that OHIM examiners were difficult to get hold of. This year, several respondents suggested that access to, and interaction with, examiners had improved. However, the picture was not entirely positive: one user suggested that “it is impossible to speak to examiners or receive emails in reply to

particular issues”, while Mallinson noted: “While some can be helpful and accessible, we have found that a few are either unavailable or unwilling to discuss matters over the telephone and will not return calls. Faxes can also take a long time – sometimes a week – to reach examiners and seem to be misfiled quite often. As a result, we would like to see email correspondence become the standard basis for communication.”

Campinos acknowledges that this has been a concern for users, but argues that accessibility of examiners should not be looked at in isolation: “If the examiner is the only person who can help, that’s one thing; but we also need to make sure that an appropriate response is given at every other level of contact. We handle thousands of phone calls and emails at our switchboard and information centre, and have been meeting the ambitious accessibility standards laid down in our Service Charter. We also need to ensure that our website is the best that it can be, as this is the main source of information for all users. That’s why we are embarking on a major overhaul to improve it, along with the e-business tools.

“That said, we know that users want more, so we have been building up the capacity of our various lines of response teams to provide the information required at the earliest stage possible. Our first line of response (the switchboard) both should and does provide the answer needed in more than 40% of all phone calls during business hours. Our dedicated staff for the support of users – the first and second (Information centre) lines together – cover more



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IP TRANSLATOR

On June 19 2012 the Court of Justice of the European Union (ECJ) ruled in the *IP TRANSLATOR* case, which focused on class headings. A fuller analysis of the decision is available on page 46, but in essence, it stated that "Directive 2008/95 must be interpreted as meaning that it requires the goods and services for which the protection of the trademark is sought to be identified by the applicant with sufficient clarity and precision to enable the competent authorities and economic operators, on that basis alone, to determine the extent of the protection conferred by the trademark".

It therefore does not preclude the use of the general indications of the class headings in the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks, as long as these are sufficiently clear and precise. However, applicants must specify whether the application for registration is intended to cover all goods or services included in the alphabetical list of that class, or only some of those goods or services.

In response, OHIM repealed Communication 4/03 and clarified the treatment of both existing Community trademark (CTM) registrations and pending/future applications. Communication 2/12 states that for CTMs registered before the communication entered into force, OHIM considers that the applicant's intention was to cover all goods or services included in the alphabetical list of that class in the edition in force at the time the filing was made. For applications not yet registered before the communication took effect, OHIM considers that the applicant's intention was to cover all goods or services listed in the particular class, unless it specifies that protection is sought in respect of only some of those goods and services. Going forward, applicants that use all general indications of a particular class heading of the Nice Classification "must expressly indicate whether or not their intention is to cover all the goods or services included in the alphabetical list of the particular class concerned or only some of those goods or services in that class".

MARQUES subsequently wrote to OHIM and national offices, arguing that its own interpretation is that "applicants should always specify the goods and services in a manner as would be required to make it possible to establish which goods or services the application is intended to cover". It further urged national offices "not to adopt any other different approach, notably any other approach that would contradict the ECJ's ruling in the *IP TRANSLATOR* case".

Expanding on MARQUES' position, representative Tove Graulund told *WTR*: "MARQUES does not wish to encourage applicants to apply for more goods services than they will need in the foreseeable future. When the *IP TRANSLATOR* decision came out, OHIM was quick to offer a solution whereby someone can register all goods in an entire class. We don't think this is the correct interpretation and we don't favour it, as it encourages registrations that are wider than necessary."

Reaction to the decision was mixed among survey respondents.

Considering the positives, one respondent felt that the result would be greater harmonisation, arguing that it "provides clear guidance to future applications both in CTM and in other countries". Another added: "The issue of class headings and what they actually mean and cover has always been a point of discussion and certain insecurity. Thus, the stance that the ECJ takes – namely, that the applicant must state with sufficient clarity and precision for which kinds of goods or services its claims protection – is to be welcomed. If it is properly implemented by the offices and trademark owners, there should be less uncertainty as to what kind of use for what kind of goods will constitute proper use. We also welcome that the OHIM reacted right away by, on the one hand, safeguarding existing trademarks which have been applied for only with class headings, and at the same time offering a declaration by which they can preserve their rights and practice for future applications. It remains to be seen whether other trademark offices will follow suit."

On one side of the fence were those who regard the development as negative, with the ECJ leaving open too many questions. One respondent argued: "In order not to have unnecessary broad coverage in registrations, which reduces the possibilities for new marks to get registered, it would have been better with a conclusion that the specifications must be clear and identify the goods that the applicant is interested in."

Another was more forthright: "I regard the outcome, which I did not expect, to be utterly stupid. It is crazy to allow anyone to register a mark for all goods in Class 9, for example, especially when uninformed people can do so by ticking a box and clutter up the register, making life impossible for those coming afterwards and trying to find a new trademark. It is positively the most stupid decision I have ever come across and will seriously detract from the CTM system for decades to come."

Taking a pragmatic view, Mallinson sent a warning to filers: "It neatly leaves all existing registrations largely covering most, if not entirely all, of what their owners (or their representatives) intended – that is, all of the goods and services included in the official Nice alphabetical list of that class at that time. OHIM's communication was quickly issued and the result is that we are likely to see extensive use of whatever wording is deemed sufficient to sweep up all goods or services in the official list. Particular care will be needed where the applicant trades in something not in the Nice lists.

"For specifications drafted by professionals, this should be anticipated and those things can be separately described. Specialist trademark practitioners are now likely to be scrutinising the relevant Nice lists carefully, bearing in mind that they are amended every five years or so. The risk is for the DIY applicant or a 'dabbler' in trademarks. They may have enough knowledge to know to use class headings (perhaps 'borrowing' drafting from older registrations held by others in their industry), but not enough to know the nuances and implications of the *IP TRANSLATOR* case." For full analysis of the *IP TRANSLATOR* decision, see page 46.

Top brand owner filers of CTM applications (year to May 31 2012)

Position	Representative name	Representative country of origin	CTM filings
1	L'Oreal	FR	460
2	LG Electronics Inc	KR	174
3	The Procter & Gamble Company	US	168
4	Novomatic AG	AT	165
5	Novartis AG	CH	157
6	Huawei Technologies Co, Ltd	CN	120
7	Johnson & Johnson	US	104
8	Société Des Produits Nestlé SA	CH	95
9	BSH Bosch Und Siemens Hausgerate GmbH	DE	93
10	World Wrestling Entertainment Inc	US	72
11	Abercrombie & Fitch Europe SA	CH	70
12	Eli Lilly And Company	US	70
13	Intesa Sanpaolo SPA	IT	67
14	Barilla G E R Fratelli – Societa Per Azioni	IT	59
15	Continental Reifen Deutschland GmbH	DE	59
16	Mars, Incorporated	US	56
17	Glaxo Group Limited	GB	54
18	Takeda Pharmaceutical Company Limited	JP	53
19	Actervis, GmbH	CH	51
20	Bayer Aktiengesellschaft	DE	51
21	Reckitt & Colman (Overseas) Limited	GB	51
22	Daimler AG	DE	49
23	Merck KGAA	DE	49
24	Nintendo Co, Ltd	JP	49
25	Samsung Electronics Co, Ltd	KR	49

than 65% of telephone queries.”

Returning to the specific question of examiner access, he states that this is improving, with more windows available for examiners to “take calls from users whenever the examiner dealing with the file is unavailable – all of the main business areas are covered by a back-up system in case of absence of examiners. Our aim is to achieve 95% call attendance during business hours and we are closely monitoring the progress that is being made. Finally, in order to highlight the importance of our daily interactions with users, a User Contact Service has been created within the Operations Support Department. It is responsible for user queries, analysis of interactions and integration of feedback in the quality system”.

Getting specific

Drilling down into particular areas of activity, respondents were significantly happier with OHIM’s handling of CTM applications over the past 12 months (see Figure 16) – nearly one-third rated it very good, compared to just 8% in last year’s survey.

Commenting on the office’s own targets, Campinos notes: “Our

objective is to examine almost all CTMs (99%) within 25 days, provided that the files do not need user interaction. In the second half of this year, we are on target with regard to examination times. This has been achieved with a small growth in the volume of applications during the first half of this year compared with the same period in 2011. At the moment, applications are bit more than 1% up.”

Suggested improvements included the swift removal of applications whose fees have not been paid (“as these often remain for many months as ‘pending’ on the online CTM system, and unnecessarily complicate clearance searches”), and increased specificity in the electronic filing system. One corporate counsel noted: “The procedure is quite comprehensive and easy with electronic filing. The one improvement that could be made is on the identification of the type of trademark, as most non-conventional marks are classified under ‘others’ – and this leads to potential misunderstandings in the examination procedure and difficulties in finding a specific application/registration in the database.”

It was a similar story for oppositions, with over half (53%) of respondents now rating OHIM’s performance as good or very good.

However, the consistency of decisions was again cited as an issue, particularly with regard to both the similarity of goods and services and the treatment of combination marks, with Mallinson suggesting that “there is particular inconsistency within OHIM and at the ECJ about the level of protection given for a descriptive word or words in combination marks where the word(s) would clearly not be registrable on their own. An unjustifiably protective approach is not uncommon”.

Bomhard adds: “One sometimes gets the impression that decisions are taken one way or another to avoid having to review and analyse voluminous evidence. The change in the structure of opposition decisions – whereby examiners are not allowed to make any evaluation of dominant and distinctive elements in the analysis of similarity, which is pushed into the ‘overall appreciation’ section – has not helped. It has made the similarity analysis a rather superfluous exercise.”

Other comments suggested that in oppositions, the evidence rounds are relatively expensive and can be nearly as demanding, in terms of cost and time, as court proceedings. Campinos responds: “We don’t know directly what people’s legal costs are in opposition proceedings, so it is hard for us to make a comparison. That said, we have been making considerable efforts to improve the speed, efficiency and quality of oppositions and this should certainly result in a downward pressure on costs. We are also trying to help people to avoid getting involved in opposition proceedings in the first place by providing them with accessible free tools such as TMView, which allow them to carry out pre-application clearance searches. Generally, we believe that the answer lies in making the whole process more transparent and predictable.”

An appealing situation

Appeals were the one area of performance where a degree of dissatisfaction was registered (by 5% of respondents – see Figure 18). Decision-making speed seemed to be the main complaint – with one respondent recommending that more staff be hired to address the delays that can occur.

Others observed that “while you do get the feeling that they have gone into your complaint in detail and with compassion”, examiner decisions are given undue deference. “The Boards of Appeal simply endorse OHIM’s decision too frequently, so that it is only at general court level that meaningful decisions are issued,” argued Gillian Deas, a partner at D Young and Co. Another respondent suggested

Top representative filers of CTM applications from France for the 12 months to May 31 2012

Position	Representative name	Country of origin	CTM filings
1	Cabinet Germain & Maureau	FR	377
2	Novagraaf France	FR	305
3	Bureau Casalonga & Josse	FR	257
4	Cabinet Easyloi	FR	256
5	Pro-Mark	FR	191
6	Cabinet Plasseraud	FR	127
7	Cabinet Beau De Lomenie	FR	121
8	Cabinet Chaillot	FR	108
9	Cabinet Delhaye	FR	108
10	Cabinet Regimbeau	FR	105

Top CTM filers in other EU jurisdictions for the 12 months to May 31 2012

Position	Representative name	Country of origin	CTM filings
-	AUER (Copernicus Consulting)	AT	93
-	Ivanov (IP Consulting Ltd)	BG	31
-	Muller (Muller – patentová a známková kancelář)	CZ	49
-	Otello Lawfirm	DK	116
-	Patent Agency Kaosaar & Co	EE	47
-	Heinonen & Co	FI	161
-	Georg Pintz & Partners LLC	HU	41
-	FRKelly	IE	320
-	Zaboliene (Metida Law Firm Of Reda Zaboliene)	LT	25
-	Agency Tria Robit	LV	38
-	Jarzynka I Wspolnicy Kancelaria Prawno-Patentowa	PL	73
-	J Pereira Da Cruz, SA	PT	118
-	Albihns.Zacco AB	SE	261
-	Belicka (MarkOffice)	SK	53

Fees

This year, a majority of respondents stated that they would like to see a cut in the Community trademark renewal fee (Figure 8), a rise of almost one-fifth on last year's corresponding figure. The sharp increase can be attributed to the inclusion of brand owner opinions in this year's survey – of the latter, three-quarters of respondents favoured a cut. Whether this is because pressures on corporate budgets remain a concern or merely reflects a sentiment that the level is too high, the overall impact is to tip the balance towards a desired cut in costs.

Those against a cut cite two main arguments. The first is that the system currently offers good value for money. Others who felt it should not be cut admitted that the renewal figure is high, but saw this as a positive because it provides an opportunity for cost/benefit re-evaluation and serves as a deterrent to the renewal of marks that are not being used.

Maeder observed: "I always like to see a cut in fees, but I think that the renewal fee at OHIM should stay as it is. It serves as a preventive measure against letting unused trademarks remain on the register and makes owners consider whether they really do need a mark. Against this background, it is acceptable if a renewal fee has a deterrent and preventative effect. Too much dead wood makes availability searches more difficult."

A different picture emerged when respondents were asked whether they would like to see a reduction in opposition fees – two-thirds were against such a move (see Figure 9), fearing that a cut would lead to an increase in speculative oppositions.

Interestingly, several respondents felt that the level could actually be increased, with Mallinson stating: "There's a good case for it to be higher if this would discourage speculative oppositions, especially by parties that are unwilling to engage in meaningful discussion and so seemingly are just trying it on."

that more decisions being overturned would "keep examiners on their toes".

Meanwhile, one-quarter of respondents rated OHIM's handling of registered Community designs as very good, and almost 60% as good (see Figure 18). E-filing remains the preferred route among applicants, with 65% filing between 80% and 100% of their applications this way.

All in all, it has been another busy 12 months in Alicante, as OHIM embraces new roles and responsibilities alongside its historical activities. Summing up, Graulund remarks: "If there has been one thing I have worried about, it is that there is so much ambition for OHIM that a little bit of pacing may be required. However, having seen how it works in terms of balance scorecards, it seems to be in control, so it may not be such a concern in reality."

As to the future, she predicts: "OHIM's five-year plan is underway and next year we will have reached the half-way stage, so we should start to see some plans being taken to completion. I think that most will, as OHIM seems to be on top of things. We have been shown the balance scorecards that it uses to manage projects and they are quite impressive.

"Over the next year, we will see some of the Cooperation Fund projects becoming reality and going live. It will then be interesting to see user reaction and office take-up – it's always that crunch moment when you launch a new product. It will be a very interesting year." [WTR](#)