

Trademark law reform is on the way

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In order to make trademark registration systems more accessible and more effective for companies, the European Commission has published three proposals aimed at revising:

- The 1989 Directive on trademarks, codified as Directive 2008/95/EC,
- The Community Trade mark Regulation codified as Regulation n ° 207/2009,
- The Commission's 1995 Regulation No 2869/95 on the fees payable to OHIM.

With regard to the filing of national or European trademarks, the Commission suggests payment of a fee per class starting from the first class, instead of the current payment of a fee for the first three classes (Article 44 of the draft Directive / see MEMO/13/291 for the list of taxes with respect to European trademarks). This option does not, as it stands, create additional costs for the applicant.

In view of rationalizing proceedings before OHIM (renamed "Agency"), the ability to apply for European trademarks through national offices would be removed and the current means for researching the availability of marks vis-à-vis prior rights would be replaced by more efficient tools. More flexible rules could also be adopted in respect of third party observations (Article 40 of the draft Regulation) or the continuation of proceedings in the event of non-compliance with certain deadlines (Article 82 of the draft Regulation).

Regarding the strengthening of legal certainty, it is important to note: a revision of the definition of the European trademark, the integration into the texts of the "IP Translator" case law on the description of the goods and services covered by a trademark, as well as of provisions facilitating the fight against counterfeiting.

Thus, in order to take into account certain "atypical" trademarks, such as sound marks, the requirement for a graphical representation of a sign, mandatory for the acceptance of a trademark, would be removed. This suggestion is present in the draft amendments to both the Harmonization Directive (Article 3) and the European Trademark Regulation (Article 4). According to the explanatory memorandum, the aim is to render a non-graphical representation of a sign admissible, when such a representation has a better ability to identify this sign. It would be sufficient that the sign is able "to be represented in a way that allows the competent authorities and the public to determine the precise scope of the protection granted to the holder". However, the requirement for a clear, accurate, easily accessible and intelligible representation, repeatedly confirmed by the European Court, and again recently (T-293/10 of 14 June 2012 Rubik's cube), is not being removed.

The designation and classification of products and services should be implemented in the light of the "IP Translator" decision of 19 June 2012. Clarity and accuracy of the designated goods or services will be mandatory, whatever the adopted wording (Article 28 of the draft Regulation and 40 of the draft Directive). This requirement is already imposed by the offices of many of the Member States, including France (since the Communiqué of 28 December 2012 from the Director of INPI).

In the context of fighting against counterfeiting, the Commission, measuring the impact of this scourge on international trade, suggests revisiting the issue of goods in transit (Article 9 of the draft Regulation and 10 of the draft Directive). Until now, the Court of Justice of the European Union has ruled in several cases "that there may be harm (...) when, during their placement under a suspensive procedure within the customs territory of the Union, even before they arrive on that territory, goods from third countries are subject to a commercial act directed toward consumers in the EU, such as a sale, offer for sale or advertisement". The burden of proving the commercial act fell on the holder of the mark (Case C-281/05 Montex Holdings - Nokia / Philips C-495/09 and C-446/09). According to the currently-proposed draft, the rights-holder would be able to prevent the introduction of products, from third party countries into the territory of the European Union, whether or not they are in free circulation, when they bear, without authorization, a trademark identical or almost identical to the registered trademark for the same goods. Furthermore, it is important to note that this right would extend to prohibit preparatory acts such as the sale of packaging, labels or other similar items. Thus, the mere introduction into the European customs territory of goods, from a third party country, which infringe the exclusive right of the rights-holder, would be a sufficient condition to qualify those goods as counterfeiting goods.

This proposal is in line with the European Parliament resolution of 3 July 2012, which became a Senate Resolution on 31 July 2012, on the proposal of the European Parliament and of the Council on the control, by the customs authorities, of the respect of intellectual property rights.

More specifically as to the draft Directive, it must be stressed that it would require Member States to establish an administrative procedure for challenging the validity of a mark at the national offices, whether in an action for revocation or in an action for cancellation (Article 47). These provisions would be entirely new in France, where those actions are traditionally brought before the courts.

These proposals must now be adopted by the European Parliament and the Council under the codecision procedure. However, the Regulation on taxes only requires approval by the Commission as an implementing act, after prior approval by the committee responsible for matters relating to fees payable to OHIM.

Proposal for a <u>REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL</u> on Community trademark

Proposal for a <u>DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL</u> to approximate the laws of the Member States relating to trade marks

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