



European Communities Trade Mark Association

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**For the attention of:**

Prof. Reto M. Hilty, Dr. Roland Knaak &  
Prof. Annette Kur

Brussels, 2 July 2010

**ECTA's comments in connection with the meeting of the User Organisations on 8-9 June 2010 on the Study on the functioning of the European Trade Mark System**

Dear Madam, Dear Sirs,

As a preliminary observation, ECTA praises MPI's thorough work and willingness to take into account the input from all users associations and to encourage ECTA to give additional input after the deliberations held in person on 8 and 9 June in Munich.

ECTA's position is widely and publicly known. ECTA believes in the need to strike a fair and equitable balance between CTMs and national trade marks. Indeed, it is of fundamental importance to promote throughout the Community a harmonious development of economic activities and a continuous and balanced expansion by completing an internal market which functions properly and offers conditions which are similar to those operating in a national market.

With this view, the objectives of uniformity, updating and user-friendliness have been explained in detail in ECTA's letter of 14 January 2010 and ECTA's answers to the Questionnaire on the TM functioning have been outlined in its reply of 16 February 2010.

As requested, please find hereunder ECTA summarized overview of the most vital issues and positions.

**1. Further legislative approximation (NPTOs and OHIM)**

***Optional provisions to become compulsory***

Some of the optional provisions of the TMD should be converted into compulsory rules because they are also foreseen as general rules in the CTMR. This is the case for



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- Article 3/2/d concerning bad faith applications,
- Article 3/3 concerning distinctive character acquired after registration and
- Article 4/3/a which has as its object the protection of national trade marks with reputation.

ECTA therefore believes that further harmonization of national TM law is also necessary in particular in the following areas, with the following proposals:

### ***Trade marks acquired through use***

Either creating uniform criteria for obtaining TM protection because of simple use or eliminating any protection to unregistered marks unless they are famous marks.

### ***Procedural provisions***

1. Provide for request for proof of use in cancellation proceedings and opposition proceedings. Also, and in principle, national rights cancellation proceedings should be harmonized (for instance the burden of proof on genuine use should rest on the owner of the opposing mark) and possibly be dealt with at the Administrative level (NPTOs) rather than in Courts, subject always to judicial review.
2. Grounds for Opposition to be all lodged in one opposition by the holder of the opposing right(s), rather than in different oppositions (one for each kind of mark/right).
3. Uniformity on the grounds of opposition all over the EU. NPTOs should only examine absolute grounds of refusal.
4. Harmonization of company names' discipline as a result of the Court of Justice decision in the Celine/Budweiser cases

### ***The conditions for obtaining and continuing to hold a trade mark***

1. Create an easy and inexpensive way to remove non-used TMs from register (simple request with the NPTOs, low fee).
2. Install incentives for TM owners to withdraw TMs (reimbursement of fees any time during the lifetime of a TM, percentage of application/renewal fee).
3. Discourage excessive claiming of goods and services – extra fee for each class, precise class headings (introduce more precise language).

### ***Use of class headings***

Clarify whether or not designating a class headings is an acceptable method and, if it is, make it the same throughout the EU.

### ***Assignment of TMs***

Allow assignment anywhere in the EU without transfer of business.

## **2. Further changes to the CTMR (OHIM only)**

### ***Use of a CTM in only one country***

A priori and *per se* not sufficient, cross-border use may appear necessary to establish genuine use within the Community. Possible alternative solution is that CTM rights could be maintained in the country where use has taken place, but cannot be enforced in other countries.

### ***Seniority / Priority Claims***

Claims should be checked on formal grounds; Evidence must be kept in OHIM file to allow a substantial examination at any stage during the lifehood of a CTM; NPTOs / OHIM should maintain files of national TMs which seniority was claimed. Additionally, national databases should be kept updated and that national offices should be obliged to state whether there is a seniority claim or not. Moreover, marks which have lapsed for having been surrendered and a seniority claim was made in regard to those mark, should be flagged as lapsed but still being capable to provide actionable rights to their owners via the CTM registrations

### ***Flow of fees from OHIM to NPTOs***

Work of NPTOs is vital, however, no uncontrolled flow of fees shall be possible. The flow of fees should only be justified for those NPTO's projects which each individual NPTO has first identified and then carried out satisfactorily in the eyes of the users; some kind of benchmarking and punitive measures should be included if fees are not used properly on national level, monitoring is thus vital.

In ECTA's view the following are proposals worth exploring:

- Providing prepaid vouchers to SMEs so as to allow them to conduct trademark searches in other EU countries ;
- Providing same E-tools and same E-capabilities (also as far as the format and visual appearance is concerned) in all NPTOs websites
- Providing that NPTO's websites and databases contain the same information, are constantly accessible and in more languages (i.e. not only the national language);
- Make it mandatory and organize the possibility of sharing information with other public authorities
- Maintaining a share on a single EU databank which contains all rights
- Maintaining records of abandoned national TMs which seniority was claimed.

### ***Enforcement of CTMs***

1. Update Article 14 and title X of the CTMR, align with Brussels Convention;

2. Bring Article 102(1) CTMR in line with Article 98 CTMR;

3. Harmonisation of so called dormant marks: according to Article. 57 (2) CTMR the owner of an earlier national or Community trademark will need to show genuine use of the earlier mark at two moments in time, if at the time of publication of the younger CTM, the earlier registration was already subject to the use requirement. If the mark was not used at that

moment in time, it was a dormant mark and cannot trigger the cancellation of the subsequent CTM registration. Unfortunately, the relevant provisions in Article 110 CTMR et seq. do not contain any similar provision concerning the enforcement of an earlier CTM against the use of a younger CTM and when the prior CTM or national mark was subject to the use requirement and not used at the time of publication of the posterior CTM application. National law in relation to this issue is very different. While the German and Benelux law for national marks clearly state that also for enforcement of an earlier mark, the double use requirement applies, the situation is very different in most of the other member states. This issue of dormant marks should be addressed in the reform (both affecting the TM Directive and the CTMR)

### ***Accelerated Registration of CTMs***

Examination of regular CTMs should not be slowed down, no reason necessary to apply for accelerated examination.

### ***3 months opposition deadline***

To be maintained unamended.

### ***Regime on costs in opposition proceedings***

*Right now dissatisfactory; Either to be abolished or easier ways to enforce decision, e.g. payment of a deposit by both parties, direct enforcement of decision or party who doesn't pay has to bear the costs for enforcing decision on costs*

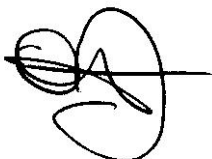
### ***Reduction of (renewal) fees***

Yes, if less non-used TMs are renewed / applied for; hence, need for incentive for TM owner to withdraw TM (or certain classes) or extra (renewal) fee for each class. Reduction of fees for CTMs filed via IR route.

We hope that our brief overview and data will provide you with valuable input.

We remain at your disposal for any further questions and look forward to receiving the results of the Allensbach survey as soon as these are available.

Yours sincerely,



Annick Mottet Haugaard  
President



Fabio Angelini  
Chairman of the Law Committee



F. Peter Müller  
Second Vice President