



European Communities Trade Mark Association

Anterp, 6 March 2007

**Comments on the communication from the Commission to the European Parliament and the Council on the “Financial perspectives of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) dated 22 December 2006”**

The European Communities Trade Mark Association (ECTA), which brings together more than 1.400 experts coming from industry and from private practice in the field of trade marks, designs and related IP matters, hereby submits its comments on the Commission’s communication on Financial perspectives of the OHIM dated 22 December 2006.

ECTA understands that, in compliance with article 134.2 of the Council Regulation EC 40/9, the European Commission should take action if the revenues of the Office for Harmonization in the Internal Market (OHIM) continually exceed the financial means that are needed to ensure the proper fulfilment of the tasks of OHIM and reserves become structurally disproportionate.

ECTA therefore, as a matter of principle, supports the proposal of the European Commission to introduce a method of regular review of the fees, for instance on an annual basis, based on the OHIM’s financial perspectives in order to guarantee a reasonable equilibrium.

ECTA however wishes to point out that such a regular review should take into account what is “the proper fulfilment of the tasks of OHIM”. In this connection ECTA agrees with the assertion provided in the Commission’s communication that the structural approach to OHIM’s financial management should “closely be linked to an outstanding performance of the Office”.

The Commission’s communication states that OHIM has successfully managed major events in the administration of Community Trade Marks (CTM) and Registered Community Designs (RCD), and ECTA shares the view that the CTM and the RCD systems are a success and that the OHIM has managed their administration efficiently. However, ECTA considers that OHIM should be allocating and investing funds to ensure that the appropriate infrastructure is put in place to support increasing demand for their online filing systems. In particular, important investments should be foreseen to improve the reliability and capacity of the online filing system and provide a more stable and accessible platform for supporting multiple concurrent sessions. Investments in

appropriate data bandwidth and server capacity would help connectivity speeds and online response times, and avoid wasted efforts through disconnected and timed out sessions. It is to be noted that with respect to trade mark e-filing, users are still awaiting for the B2B facilities and with respect to RCD e-filing, OHIM recognised that the system does not even allow data capture.

OHIM should also comply with the principle of equal treatment with respect to all EU member countries and languages and should therefore provide for correct certified copies and registration certificates in all circumstances. Indeed, after 10 years of functioning, this still seems not to be possible for CTMs including non Latin wordings with the legal consequences derived from it.

As it is rightly stated in the Commission's communication, a CTM gives its proprietor a right valid in the entire territory of the EU. It is not to be forgotten either that such right is an exclusive right. As a result, proper legal treatment must be given to the process of granting it. In this connection ECTA has noticed that OHIM has a high fluctuation of examiners in recent years. Proper qualification and good training opportunities for these examiners should be guaranteed. Besides, ECTA questions whether the programme OHIM put in place aiming at increasing productivity and improving efficiency, which responds to a need to shorten delays, has not led in some circumstances to loss in quality. This is reflected in the results of the 2006 OHIM User's Satisfaction Survey.

Response to ECTA's concerns as referred to above is already provided in the Commission's communication which states that: "part of the cash reserves can be absorbed to finance the challenges that OHIM is facing in the operational field".

Therefore as a primary conclusion, we are all aware of the success of the systems administered by OHIM: figures talk by themselves. But it is now time to focus the future in terms of quality of service to reach a status of excellence. Improved online platforms, consistent decisions rendered within a reasonable time frame. The OHIM has the means to improve these important aspects.

Using the terms of the Commission's communication "Such further quality improvement most likely requires more financial investment". ECTA believes that this further financial investment is needed.

On the other hand, the surplus appears to largely exceed the aforementioned investments and a regular review of the fees will still be required.

In this connection, ECTA notes that the Commission's proposal of a regular review envisages CTM fees and only the most important basic fees: application, registration and renewal. ECTA believes that this would result in an imbalance since obtaining a CTM would be easier in economic terms, but challenging a CTM would still be costly for users, including SMEs who are in most cases owners of national earlier rights. The fees regular review should therefore also include invalidity, revocation, opposition and appeal fees for CTMs. ECTA agrees in keeping aside RCD fees, at least for the time being.

Finally, the cooperation of OHIM with the national offices to the extent that the effective interaction between the Community and national trade mark systems is completed should be assured. Training sessions and meetings with national offices to try to

harmonize practice and consistency of decisions should be regularly convened. Investments on a searchable database on seniorities would also be welcomed by users.

ECTA is aware of certain anxieties on the side of national offices with respect to the Commission's proposal for an automatic regular review of OHIM fees, which we can understand. In order to try to assuage their concerns, when fixing the fees after the proposed revision, attention should be paid so that there is, if at all possible, a reasonable equilibrium between the value of a CTM and the value of a national mark. We enclose a chart with the amounts [in Euro] of official fees of several EU national offices that will help in this assessment. Nor should it be forgotten that fees must reflect the scope and value of the right intended to be obtained with the trade mark registration.

Finally, we note from the Commission's communication that "the first experiences with the fee reform (2005) show that the package of fee changes certainly had a moderating influence on the revenues". As a result, ECTA wonders whether a further lowering of the fees will really resolve the OHIM's financial surpluses.

We hope you will find our comments useful.

If you have any questions in this regard or if we can assist you in any other way, please feel free to contact us.

Yours Sincerely,



Mireia Curell  
President