

LAYING THE FOUNDATIONS OF TRADEMARK REFORM

Last year, efforts towards reforming the European trademark system gathered pace. Annick Mottet Haugaard explains how the European Community Trademark Association is promoting the cause.

The European Community Trade Mark Association (ECTA) had a very busy 2009. The association brings together all European Union professionals in the fields of trademarks, designs and related IP rights.

In the first significant development in 2009, ECTA was nominated as an official observer on the Administrative Board of the Office of Harmonization for the Internal Market (OHIM) and subsequently on its Budget Committee, together with four other non-governmental organisations (namely, AIM, Business Europe, INTA and Marques). Observer status was long overdue. The 27 EU member states represented on the OHIM board considered it important to have the users' organisations even more actively involved, in particular during board discussions on fee reduction and establishing the Cooperation Fund. Their presence at such a high level should favour transparency, co-operation and communication with users, who are the Community Trademark system's major stakeholders.

One of ECTA's key aims is to help set up the Cooperation Fund, which will significantly contribute to improving the trademark system in Europe.

Together with the other four NGOs, ECTA identified the projects that it considers to be a priority for trademark users and that could be achieved with the €50 million allocated to the fund:

- To ensure all EU national trademark offices have adequate IT infrastructures
- To establish and maintain complete seniority

databases in all EU national trademark offices, accessible free of charge to all users whenever they search. These should contain all trademarks used in Community Trademark (CTM) seniority claims

- To develop common IT systems, linking all EU national trademark offices
- To allow users access to all current trademark databases for free
- To provide an option for e-filing, online access and e-renewal without requiring additional documentation, with the option of credit-card payment, in all EU national trademark offices
- To introduce the trademark search service TMView, showing full data, including images of device marks, addresses, goods and services covered, etc. and including data from all EU national trademark offices supplied free of charge
- To achieve European uniformity of classification within the appropriate international framework
- To develop a module and materials for national patent and trademark offices to use in CTM-related education so as to ensure commonality of messages.

In a complementary note, ECTA added some further suggestions to this list.

In order to significantly improve trademark systems across the EU, it is necessary to first improve and unify the level of performance of national trademark offices (organising back offices to achieve efficient productivity and improve quality) but also to give priority to those countries that are less technologically developed

and fall short of the accepted benchmark. To this end, ECTA is actively promoting the principle of solidarity. It is also necessary to put more emphasis on benchmarking and establishing common performance standards. These should include performance indicators, best practices and user-satisfaction surveys, processing times from application to registration and access to up-to-date data.

ECTA has already organised several roundtables in collaboration with the OHIM and national trademark offices to help stakeholders have a better understanding of the impact of OHIM's activities and the CTM system in different member states. The roundtables also allow stakeholders to learn from the experience of the respective users. By repeating these roundtables on identical topics in the various EU member states, ECTA hopes to help further harmonise current different practices in the EU.

The training of national trademark examiners should also improve the trademark system. Symposiums or courses at OHIM and at local level would be beneficial, especially if they involve examiners from OHIM's Opposition Division, Board of Appeals and Cancellation Division. For the benefit of users, training should also be provided to all national authorities dealing with the prosecution and enforcement of trademark rights, primarily judges of the national courts (civil/commercial and criminal), and also police and customs officers.

More resources should be allocated to facilitate information exchange between IP players such as customs authorities, by supporting and hosting a unique and common database ensuring access for all EU customs authorities to the information provided by rights owners on their products and rights referred to in their EU and national customs applications. More resources should also be allocated in order to create more complete databases of court decisions.

These proposals are without doubt in line with users' needs and will help to accomplish the aims of the Cooperation Fund.

2009 also saw another significant development in the EU's trademark system. The foundations for reform of the system were laid down. The European Commission launch in July 2009 of a tender for the study of the overall functioning of the trademark system in Europe was the first stone of the edifice.

The objective and scope of this study is to assess the current state of play of the Community and national trademark systems, identify the potential

for improvement and future development, and therefore provide a solid foundation for the review of the trademark systems.

The Commission awarded the contract for the study to the Max Planck Institute for Intellectual Property, Competition and Tax Law in Munich. This institute has considerable expertise in the IP field, which will surely be necessary to undertake this ambitious task in such a short time frame: preliminary results should be available this spring and the final report is expected by the end of the year.

Given that 20 years have elapsed since the directive on trademarks was launched and approximately 15 years have passed since the Community Trademark Regulation came into force, the time is certainly ripe for a closer look at how the European trademark system functions.

ECTA considers it important that both the CTM and national systems are thoroughly scrutinised along with the relationship between the two systems.

ECTA is most willing to put its resources at the disposal of the Max Planck Institute and the Commission. With members all over Europe, ECTA is able to gather information on how the systems work and support the Commission in finding ways and means to improve both the CTM and the national systems.

When carrying out the study, and particularly when formulating the needs for and proposals for improvement, ECTA considers it important that due recognition is given to the fact that 90 percent or more of all entities active within the EU are small and medium-sized enterprises. The true needs of these companies must be clearly understood when attempting to improve the European trademark system.

SMEs demand the further harmonisation of national trademark regimes and the improvement of the CTM system, including their respective practices. When doing this, consideration must be given to the relevant benchmarks to be used.

Some of the features of other trademark systems (such as the US system) could be helpful. ECTA and the Commission will therefore organise a separate roundtable on March 23, 2010 to study and compare what particular benchmarking exercise should be adopted.

ECTA believes in the need to strike a fair and equitable balance between Community and national trademarks, which is of fundamental importance to promoting the harmonious development of economic activity and the continuous and balanced expansion of an

internal market that functions properly and offers conditions that are similar to those in national markets. ECTA's vision is that the Community and national systems should be mutually competitive and co-operative. With this in mind, uniformity, keeping up to date and user-friendliness should be the cornerstones of a future EU trademark system.

Besides these two important projects, the European community of trademark practitioners closely followed developments relating to geographical indications (notably in connection with the World Intellectual Property Organization (WIPO) survey of October 21, 2009 on the Lisbon System).

In addition, domain name administrator ICANN's plan to introduce an unlimited number of new generic top level domain name extensions in an unstructured manner has sparked interest. Together with other trademark associations, ECTA has voiced its concern that such plans could confuse consumers who depend upon trademarks, and expose trademark owners to unnecessary risk and expense in policing their trademarks. Many ECTA members believe that it is ICANN's 'family' (registry operators and registrars), who stand to profit from new gTLDs, that has been driving the process forward despite IP community concern that the overarching issues (i.e. malicious behaviour, security and stability, economic impact and rights protection) identified by ICANN have yet to be adequately addressed.

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