

LAYING THE FOUNDATIONS OF TRADEMARK REFORM

Last year, the foundations for reform of the European trademark system were put in place. Annick Mottet Haugaard explains how the European Communities Trade Mark Association contributed further to the exercise.

The European Communities Trade Mark Association (ECTA) had a very busy 2010. The association brings together European Union professionals in the fields of trademarks, designs and related IP rights.

In 2010, one of ECTA's key aims was to further collaborate to set up the Cooperation Fund and identify the specific projects where it could add expertise to improve the European trademark system.

Therefore, ECTA made some concrete proposals in field 3 relating to information services and field 4 relating to enforcement activities.

Amongst the projects relating to the communications initiatives, ECTA proposed an information-sharing system, including e-learning modules for national office examiners and others confronted with the prosecution and enforcement of trademark rights. In particular, it supports a database with free access for the public (and for national examiners) containing all OHIM and national office decisions, as well as a single classification list that is accepted by all national offices and OHIM. It also recommends the creation of 'minimum standard EU

examination guidelines' that all national offices could agree upon.

Training initiatives are also of great importance. Amongst the ideas suggested by ECTA was the creation of a special group of CTM and RCD experts, specifically educated to help national offices and users to develop a more advanced and competitive environment. It also seems important to include in such training lectures recent developments in trademark decisions, not only from the Court of Justice and the General Court but also from national courts, grouping together coherent interpretations and possibly helping to harmonise practice in such areas.

With regard to the enforcement activities, ECTA's proposal aims to set up an electronic tool to facilitate the exchange of data between OHIM, national offices, IP enforcement officers and rights holders, under the existing framework for applying for customs action. IP enforcement officers should have a password-protected web-based tool that contains relevant and visual information in a template structure in the IP officers' preferred language. The tool would hold data concerning registered IP rights (trademarks and designs) and information about logistics and products, and would provide country-specific or region-specific information to the IP enforcement authorities. Obviously, agents' or rights holders' contact details would be shared with the relevant authorities. As such, the data contained in the database would be up to date with the existing IP currently available through tools such as TMview (and possibly later Designview) and data that the rights holder would provide through password-protected access.

ECTA also continued to closely follow the study on the functioning of the European Trade Mark system and produced additional comments further to the meetings between the Max Planck Institute for Intellectual Property and the users' organisations in June 2010.

In this context, ECTA organised additional roundtables (six in 2010) in collaboration with OHIM and the national trademark offices to help stakeholders gain a better understanding of the impact of OHIM's activities and the CTM system in different member states. The roundtables also allowed stakeholders to learn from the experiences of the respective users. By repeating these roundtables on identical topics in the various EU member states, ECTA wished to demonstrate the obvious interest in both the CTM and national systems being scrutinised, along with the relationship between the two systems, and hoped that such exercises would contribute to facilitate further harmonisation.

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

In May 2010, like other trademark users' associations, ECTA was concerned about the willingness of the Spanish presidency of the EU to have the Competitiveness Council adopt the conclusions of the review of the trademark system, when the Commission's study had just started. Indeed, the complexity of the issues at stake required that sufficient time was given to consider all the questions raised in the course of the study. These conclusions should not pre-empt the recommendations of the MPI study nor prematurely restrict the scope for the debate that would ensue among all stakeholders once the MPI recommendations were available.

In particular, ECTA was concerned about the proposed establishment of an explicit competence for the role and mission of OHIM to cover the field of enforcement and a possible role in anti-counterfeiting for the national trademark offices.

Although in the long term, this may appear to be beneficial, such a role would be a significant departure from the current activities of most trademark offices, given the efforts already being undertaken by other institutions and law enforcement agencies. It would require a

fundamental change of mission, and a thorough analysis must be carried out before any conclusions can be reached. The MPI study is a first step.

Furthermore, ECTA could hardly accept the creation of a legal basis for distributing to national offices an amount equivalent to 50 percent of the renewal fees. Together with the other users' organisations, ECTA continued opposing the principle of diverting to national offices CTM user-generated fees. OHIM and the national offices should be self-financing through user fees, and those fees should be used only by the offices that receive them. Some national offices do not have financial autonomy and do not have control over their finances. This raises a great concern that the distributed funds could find their way into state budgets and end up covering expenditures unrelated to projects that would benefit the European trademark system.

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In addition, the diversion of OHIM renewal fees, which are currently too high, would amount to a permanent subsidy that will make it difficult for national offices to remain responsive to market requirements and users' needs. Finally, any such diversion to national offices would put them in a position to vote on the level of fees in which they have a direct interest. Beneficiaries should never be put in such a position.

The Commission tender has called for further investigation and recommendations on these two points, and the council should not pre-empt

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the MPI findings and jump to conclusions at this early stage of the process.

Besides these two important projects, the European community of trademark practitioners closely followed developments relating to geographical indications.

ECTA submitted introductory comments on the annex dealing with geographical indications (GIs) in a Commission communication on agricultural product quality policy. Indeed, ECTA is an enthusiastic supporter of the protection of GIs at the European level and beyond. The association is dedicated to the protection of signs in the EU and its member states, such as trademarks and designs, including GIs, which are designed to ameliorate the quality of different kinds of products (foodstuff, wine and spirit). ECTA commented that some articles in the annex, including those relating to trademarks, were not drafted exactly in the same way and did not use the same terminology. ECTA is also convinced that it would be appropriate to merge the three regulations, which would contain common articles applicable to the three kinds of protection, and provide separate chapters dealing individually with foodstuff, wine and spirit questions. It is according to that structure that the Community Trade Mark Regulation (CTM Regulation) has been drafted with a special chapter on collective marks. Obviously, the recent draft issued by DG AGRI does not take this latter remark into account, because it does not provide for one single regulation.

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 and that they have been driving the process forward despite concerns 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.

Furthermore, ECTA has been active on the enforcement side. It replied to the consultation paper on the review of the EU legislation on customs enforcement of IP rights. It made additional comments regarding travellers' personal allowances, goods in transit and infringing trademarks rights, and the Anti-Counterfeiting Trade Agreement.

With all the Commission projects on the table, 2011 will be a big year.

Last but not least, thanks to its contribution and active participation during 2009 and 2010, ECTA has seen renewed its nomination as an official observer on OHIM's administrative board and subsequently on its budget committee, together with four other non-governmental organisations (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 encourage transparency, co-operation and communication with users, who are the Community trademark system's major stakeholders.

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To find out more about the European Communities Trade Mark Association, visit www.ecta.eu



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