European Commission

These slides accompany the explanation of the acquis to Albania and North Macedonia and can only be used for that purpose. Their content is subject to further development of the acquis and interpretation by the Court of Justice of the European Union.

REFORMED
EU LEGISLATION ON TRADE MARKS

European Commission, DG GROW

Brussels, 8 February 2019

A. Legal situation before reform

- Directive 89/104/EEC of the European Parliament and of the Council of 21/12/1988, codified as Directive 2008/95/EC of 22/10/2008: harmonizing main **substantive law aspects**, in particular the conditions for obtaining and continuing to hold a **registered trade mark** and the rights conferred by the latter.

- Council Regulation (EC) 40/94 of 20/12/1993 on the **Community trade mark**, codified as Regulation (EC) 207/2009 of 26/02/2009: establishing an autonomous **unitary system in parallel and linked to national trade mark systems** (principle of co-existence!).

B. History of trade mark reform

- IP Strategy COM(2008)465: need for overall assessment.
- Council conclusions on future revision (2010/C 140/07).
- Max Planck Study on overall functioning (2009-2011).
- IP Strategy COM(2011)287: need for modernisation.
- Reform proposals (COM(2013) 161/162) tabled on 27/03/2013.
- European Parliament approved reform on 15/12/2015 after 2,5 years of complex discussions.

C. New acquis on trade marks

- **Directive (EU) 2015/2436 (TMD)** of the European Parliament and of the Council of 16/12/2015 to approximate the laws of the Member States relating to trade marks, obliging EU Member States to transpose new provisions by 14/01/2019 (exception: Art 45 on administrative cancellation procedures by 14/01/2023 only!), and repealing Directive 2008/95/EC with effect from 15/01/2019.

- **Regulation (EU) 2017/1001 (EUTMR)** of the European Parliament and of the Council of 14/06/2017 on the European Union trade mark, applicable since 01/10/2017 (implementing and supplementing rules laid down in COM Regulations (EU) 2018/626 and (EU) 2018/625).

D. Changes in Directive 2015/2436 (I)

- **Modernised trade mark definition (Art 3)** through deletion of graphic representability requirement:
  - signs must be representable in a manner **enabling competent authorities/public to determine clear & precise subject matter** of protection (as follows from recital 13 all CJEU Sieckmann criteria need to be complied with to fulfil objectives of registration system);
  - aims at **facilitating filing of new trade mark types** (eg. sound or motion marks) while **increasing legal certainty**;
  - Corresponding Art 4 EUTMR implemented by Art 3 COM Reg. 2018/626.

D. Changes in Directive 2015/2436 (II)

- Codification of **common rules for the designation & classification of goods/services (Art 39)**:
  - Following CJEU principles in **C-307/10 IP Translator**;
  - Designation to be **sufficiently clear and precise** to enable authorities/public to determine extent of protection **on basis of application alone**;
  - **General indications may be used if they comply with requisite standards** of clarity and precision;
  - **"Means what it says approach"**: inclusion only of goods clearly covered by literal meaning of class heading.

D. Changes in Directive 2015/2436 (III)

- **New absolute <u>and</u> relative grounds of refusal on geographical indications** in line with EUTMR:
  - **AG:** Art 4(1)(i) making **global reference to Union legislation/national law** or int. agreements providing for GIS protection; new ground intended only to apply to national GIS not yet covered by Union legislation (i.e. non-agricultural area).
  - **RG:** Art 5(3)(c) applying to prior GIS conferring on the authorised person the right to prohibit the use of a subsequent trade mark.

D. Changes in Directive 2015/2436 (IV)

- **Reinforced protection against bad faith filings:**
  - **AG: Art 4(2)** now **mandatory ground for invalidity**: registered trade mark liable to be declared invalid where applied for in bad faith. Left optional to also provide that trade mark is not to be registered.
  - **RG: Art 5(3)(b)** new **mandatory** opposition/invalidity ground for trade marks applied for by **agent** without the proprietor's authorisation (=Art 6septies PC).
  - **Prohibition of use/demand transfer of mark**: new **Art 13** entitling TM proprietor to oppose use by unauthorised **agent** and/or demand assignment of TM.

D. Changes in Directive 2015/2436 (V)

- **Reinforced protection for TMs with reputation** in a MS:
  - **RG**: Art 5(3)(a) **now mandatory** ground entitling right holder to oppose/ request invalidity of TMs the use of which without due cause would take unfair advantage of, or be detrimental to, its distinctive character or repute.
  - **Prohibition of use**: Art 10(2)(c) **now mandatory** base entitling proprietors of reputed TMs to prevent use which without due case takes unfair advantage of, or is detrimental to, its distinctive character or repute.
  - Articles **now also in line with CJEU C-292/00 Davidoff** (doesn't matter whether goods/services are similar or not).

D. Changes in Directive 2015/2436 (VI)

- **New right to prevent counterfeit goods being placed in a customs situation** (in particular **transit**) when not intended for the EU market (**Art 10(4)**)**!**
  - Sole condition: goods need to bear without authorisation mark which is essentially identical to trade mark registered in a Member State.
  - **Plea** available to **declarant/holder of goods before court**: entitlement of TM owner shall lapse if defendant is **able to prove** that the former cannot prohibit placing of goods on the market in the country of final destination.
  - **COM notice** of 5 July 2016 (2016/C 244/03).

D. Changes in Directive 2015/2436 (VII)

- New provisions on **TMs as objects of property**, including their applications (Art 26), in particular:
  - Art 22 on **transfer** (separate from undertaking; transfer of latter includes TM if not provided otherwise);
  - Art 25(3)-(5) on **licensing** (defining **legal position of licensee** in case of infringement).
- Registration of **collective trade marks** (association as owner, for use by members) **now mandatory** (Art 29 – 36).
- Registration of **certification TM left optional** (Art 28(1)), but harmonization covers now definition (Art 27(a)) and ownership (Art 28(2)) to demarcate from collective TM.

D. Changes in Directive 2015/2436 (VIII)

- **Office-based opposition procedure** (Art 43):
  - Offices allowed to keep ex-officio examination of relative grounds (RG) laid down in Art 5;
  - Obligation to make available procedure before offices for filing oppositions based on all RG grounds in Art 5 (no AG!);
  - Para 2: Minimum harmonization of legal standing.
- **Now mandatory non-use defence** for procedure (Art 44):
  - Proof of use needs to cover five-year period **preceding the filing/priority date of later trade mark** (44(1), 46(2))!

D. Changes in Directive 2015/2436 (IX)

- **Office-based procedure for revocation/invalidity** (Art 45):
  - Grounds: Art 19 & 20 (revocation), Art 4 & 5(1) to (3) (minimum list for invalidity);
  - Para 4-6: Minimum harmonization of legal standing.
- **(Double) Non-use defence** (Art 46): At request, proprietor of earlier TM has to furnish proof that it was used:
  - during 5-year period **preceding the date of application for declaration of invalidity, and** (where applicable)
  - during 5-year period **preceding the filing/priority date of the later TM!**