

# Study on the overall functioning of the Trade Mark System in Europe

## QUESTIONNAIRE

### 1. Links between the CTM system and national trade mark systems

#### (1) Harmonisation of national trade mark systems

##### (a) Achievement of the TMD objective

- ***To what extent has the Trade Mark Directive achieved the objective of creating a single market by removing barriers to free movement and competition?***

All in all, we believe that the TMD has achieved the majority of its objectives. The national trade mark legislation of the Member States are basically identical or substantially the same. For this reason, the TMD has contributed to the creation of a single market.

##### (b) Need for further legislative harmonisation

###### (i) Within the scope of the TMD

- ***To what extent is there a need for further legislative approximation of Members States' national trade mark systems within the current scope of the TMD?***

The reply to this question should analyse whether there is a need for also harmonising elements which according to the TMD are left optional to the Member States, such as special absolute grounds for refusal or invalidity, or, grounds for refusal or invalidity concerning conflicts with earlier rights. Is there evidence that users of the trade mark system would benefit from further legislative approximation? This research should encompass literature review including case-law.

We see a need for further legislative approximation in the field of absolute and relative grounds of refusal or invalidity. In particular, prior rights should not constitute an absolute ground for refusal, as it currently is the case for instance in Norway and Sweden. Moreover, owners of prior rights should be merely given a right to oppose to the registration of an application.

###### (ii) Beyond the scope of the TMD

- ***To what extent is there a need for further legislative approximation of Members States' national trade mark systems beyond the current scope of the TMD?***

The reply to this question should analyse whether there is a need for harmonising elements which are not covered by the TMD, such as other substantive issues like assignments and other elements of trade marks as objects of property, as well as issues

such as classification of goods and services (e.g. the use of class headings and the consequences this has for examination and resolution of conflicts between trade marks), procedural issues such as the process of examination, oppositions and cancellations, as well as any other aspect of trade mark law and practice that users perceive in need of harmonisation. Is there evidence that users of the trade mark system would benefit from further legislative approximation? This research should encompass literature review including case-law.

We see a need to align the requirements for assignments and transfer of trademarks, which is often dealt with in global Sale and Purchase Agreements.

(c) Need for Trade Mark Offices' practices to become more consistent

- ***To what extent do stakeholders see a need for the Trade Mark Offices Practices becoming more consistent?***

The reply to this question should establish the main areas in respect of which the practices of the various Trade Mark Offices should be consistent and comparable within each of the Offices as well as the areas where the practices of the various Offices should be consistent and comparable with each other.

n/a.

- ***How could the cooperation between the OHIM and National Trade Mark Offices be intensified to achieve a more transparent and consistent Office practice throughout the Community?***

The reply to this question should analyse ways as to how the OHIM and the National Trade Mark Offices could work closer together to contribute more to establishing consistent practices in Europe to the benefit of users (e.g. developing common tools, etc.).

The exchange of examiners with national offices may contribute to a more consistent Office practice throughout the Community.

(2) Relation between CTM system and national trade mark systems

(a) Nature of the relation

- ***How are the CTM system and national trade mark systems used by stakeholders?***

The reply to this question should in particular establish to what extent these interested parties see the nature of this relation characterised by complementarity and a (operational) notion of a balance.

We appreciate the flexibility to choose the option which serves the right owners most, be it national registrations in some single Member States, or a CTM. Both CTMs and national trademarks are necessary and complementary since they have different scopes. Selecting one or the other depends on the trademarks owners' business and geographical needs.

(b) Future role and mission of National Offices

- ***What should be the role and mission of national offices in the future?***

This question seeks recommendations as to how the role and mission of national offices should be defined in the future. In this context it should be established to what extent these offices should perform additional tasks such as in particular in the field of enforcement (anti-counterfeiting).

It would be interesting to engage the national offices in the enforcement of trademark rights and in particular in the combat of counterfeits.

(c) Linkages between the systems

- (i) Filing a CTMA at the central IP Office of a Member State

- ***To what extent is the option to file a CTM application at the central IP Office of a Member State still appropriate?***

This option is no longer appropriate.

- (ii) Requirement for a CTM to be used "in the Community"

- ***To what extent is the territorial requirement for a CTM to be genuinely used "in the Community" (Art. 15 CTMR), as interpreted in the related Joint Statement by the Council and the Commission of 20 December 1993, still appropriate in view of a Community market now comprising 27 Member States?***

The unitary character of the Community trade mark is the central feature of the Community trade mark system. The unitary system has clear advantages, not only from an economic point of view. The unitary system also leads to a number of administrative advantages. The management of a company's trade mark portfolio in Europe becomes much simpler. These advantages can be upheld if the territorial requirement for a CTM to be genuinely used "in the territory" is interpreted as stated in the Joint Statement by the Council and the Commission of 20 December 1993. Setting up rules such as "in x number of Member States", is inappropriate, as the aim of the TMD and the CTMR is to establish a single market and remove national boundaries. In the Ansul case (C-40/01), the European Court of Justice held that "genuine use" was use which reflects the essential function of a trade mark, which is to act as a guarantee of the identity of origin of the goods or services to the consumer. The same concept should be applied to the CTMR. For this reason, the territorial extent of the use is irrelevant and use in just one country, may be considered enough to support use in the entire Community. It is important to avoid creating a two-class society develops, consisting of Member States which are considered to be large enough to allow for genuine use "in the Community", and others which are not.

- (iii) Seniority claims

- ***To what extent does the option of claiming seniority of a national trade mark still match the needs of users?***

The reply to the question should thoroughly establish the reasons for the low number of seniority claims filed and analyse the need for maintaining this option from a users' perspective.

We observe uncertainty among the users; many users are reluctant to claim seniority. The legal consequences of seniority are not clear.

- ***To what extent should seniority claims be verified by the OHIM in future?***

The reply should establish users' satisfaction with the current OHIM practice and provide information on users' preference as to the desired extent of examination of seniority claims (e.g. simple recording of such claims without any examination and with the applicant only having to identify the place of earlier registration and the relevant trade mark number, or, a full examination of the requirements laid down in Article 34 of the CTMR with the applicant having to substantiate his claim).

We have serious doubts that such verification could be conducted with reasonable time and effort. The rules for claiming seniority are clear and trade mark owners should bear the burden of verifying the identity of the trade mark, goods and services and ownership themselves.

(3) Contributions of national offices to the overall functioning of the CTM system

(a) Sort of contributions

- ***To what extent are national offices contributing to the overall functioning of the CTM system?***

n/a.

(b) Compensation by financial contributions from OHIM

- ***To what extent are the expenses related to these contributions made by national offices covered by payments received from the OHIM budget?***

The reply to this question should include a detailed insight and evaluation of the cooperation activities for which a financial contribution from the OHIM budget is available.

n/a.

(4) Potential for enhanced cooperation between OHIM and national offices

- ***In what ways could national offices additionally and valuably contribute to the overall functioning of the CTM system to the benefit of current and potential users?***

The reply to this question should establish the potential for an enhanced cooperation between the OHIM and national offices by determining appropriate areas where from a stakeholders' point of view national offices could additionally contribute in an effective manner to the overall functioning of the CTM system, in particular, but not exclusively in the area of enforcement (anti-counterfeiting). This question is to a certain extent related to the above question no 2(b) on the future role of national offices.

n/a.

(5) Impact of distributing an amount equal to 50% of OHIM's renewal fees to national offices

- ***What could be the benefits both for the OHIM and users of the CTM system to have the half of the renewal fees revenue going to Member States' national offices? What are possible disadvantages?***

n/a.

(6) Accounting mechanisms

- ***How and to which extent could it be ensured that these transferred funds are available to Member States' national offices and really used for the trade mark related purposes concerned?***

This question should analyse the financial situation of national offices and, in particular, look for appropriate accounting mechanisms which could ensure that the funds transferred from OHIM to Member States' national offices are used for the trade mark related purposes concerned.

n/a.

(7) Distribution key

- ***What would be an appropriate key for distributing 50% of OHIM's renewal fees to the individual Member States?***

n/a.

2. **Functioning of the CTM system including the OHIM**

The reply should establish to which extent the CTM system is in need of amendment or improvement, as well as the extent to which OHIM should provide additional services, and should include the following examples, but may include anything else that in particular users of the system perceive to be in need of change.

(1) Definition of signs of which a trade mark may consist (Article 2 TMD, 4 CTMR)

- ***To what extent is the required capability of being represented graphically still a relevant and appropriate requirement for a sign to qualify as a trade mark with regard to non traditional trade marks? What could be appropriate alternative requirements to establish instead of it?***

We note that a large number of trademark applications and oppositions is filed online. This indicates that most users have access to computer systems and the Internet, and use computer systems and the Internet on a daily basis. For this reason, one alternative could be to loosen the strict requirement of graphical representation, and allow for representation by means of (commonly used and available, for instance, free-share) data files. However, we acknowledge that this must not always be the case, and that there are good reasons to stick to the requirement of graphical representation of a mark.

(2) Rights conferred; sanctions (Article 5 TMD, Article 9 CTMR)

- ***Does the definition of the rights conferred upon proprietors in case of infringements still satisfy current need?***

Yes, we believe that the definition of the rights conferred upon proprietors in case of infringements does satisfy current needs.

- ***Is there a need to align the customs seizure sanctions with the civil sanctions, in particular in case of import, export, and transit transactions?***

Scope of question is unclear. Customs seizure sanctions are administrative sanctions, and civil sanctions are private sanctions, which complement one another. We see a need for a clarification and harmonization concerning seizure of goods by customs in relation to transit goods.

- ***Should the CTMR include the same sanctions, in accordance with the Directive 2004/84/EC on the enforcement of IP rights, as are made available for the infringement of national IP rights?***

Yes, the CTMR should include the same sanctions, in accordance with the Directive 2004/84/EC on the enforcement of IP rights, as are made available for the infringement of national IP rights.

### (3) Classification

- ***To what extent does OHIM's practice of encouraging list of goods and services corresponding to the headings of the Nice classification system meet the business needs of applicants with a view to the objective of avoiding unnecessarily broad specifications of goods and services?***

The OHIM's practice of encouraging list of goods and services corresponding to the headings of the Nice classification system meets the business needs of applicants as it allows for a quick registration, and gives the right holders the required flexibility to adjust to market needs.

### (4) Claiming priority (Article 30 CTMR)

- ***To what extent should priority claims be verified by the OHIM in future?***

The reply should define users' preference as to the treatment of priority claims. Like other IP Offices, OHIM could be allowed to simply record such claims without verification and with the applicant only having to identify the place of earlier registration and the relevant trade mark number. The claim could be challenged in adversarial proceedings. Alternatively, a full examination of the requirements could be foreseen with the applicant having to prove his priority right.

In our opinion, the OHIM could be allowed to record priority claims without verification and with the applicant only having to identify the place of earlier registration and the relevant trade mark number. If a third party has doubts, the priority claim should be challenged in adversarial proceedings.

### (5) Examination of absolute grounds

(a) Access to trade mark protection

- ***To what extent are users satisfied with the granted level of access to trade mark protection?***

The reply to this question should establish to what extent users are satisfied with the registration practice at EU level and to what extent they consider this practice either too liberal or too strict. The related results of the EBTP survey should be taken into account.

We consider the registration practice with the OHIM as being liberal, much more liberal than for instance the registration practice in Switzerland, but not too liberal. We see, however, an inconsistency between the examination of device marks and the examination of word marks. We note that marks that have any kind of device element are – as a very general rule - registerable, whereas we feel that stricter criteria apply to word marks – in particular compound marks or slogans.

(b) Quality of examination

- ***To what extent does the examination practice of OHIM meet users' expectations of providing for certainty that the resulting CTM registrations are entitled to a presumption of validity?***

The reply to this question should not only establish the level of users' satisfaction on this point but also analyse the relevance and efficiency of pertinent quality standards and quality control mechanism established by the OHIM to ensure the required high quality.

Since we consider the OHIM's registration practice as being quiet liberal, there is some but not particularly strong presumption for the validity of the CTM registrations. In some cases, we are missing solid contours.

- ***To what extent does the examination practice of OHIM meet users' expectations of consistency in examination for formal deficiencies, such as classification, or in examination for absolute and relative grounds, at the various levels of OHIM activity (examination, opposition, cancellation, appeal)?***

We consider the examination practice with the OHIM as meeting our expectations of consistency in examination for formal deficiencies, or in examination for absolute grounds. We would, however, appreciate if certain deficiencies could be dealt with more flexible, in particular by discussing and curing in particular minor and easily rectifiable deficiencies over the phone.

(c) Territory of acquired distinctiveness (Article 7(3) CTMR)

- ***Is there a need for clarifying the territorial scope in respect of which acquired distinctiveness must be shown and, if yes, what would be an appropriate solution?***

Yes, we believe that there is a need for clarifying the territorial scope in respect of which acquired distinctiveness must be shown. The Community is taken as a whole and not merely as an addition of the territories of its Member States. If the objection is based on lack of distinctiveness of a simple mark (e.g. single colour, simple geometrical shape, etc), or very complex one that merely decorates the product, the objection would almost always concern the whole Community. It appears not appropriate to request the applicant to prove acquired distinctiveness in every single Member State. However, there is so far no sufficient guidance on

the territorial scope where acquired distinctiveness must be shown. The European Court of First Instance (decision of March 30, 2000-T 91/99) held that the distinctive character acquired through use must necessarily be demonstrated in that part of the Community where it was otherwise devoid of such character in the language concerned. This means if a sign is held to be devoid of distinctive character in French, use has to be claimed in the French-speaking parts of the Community. It is not sufficient to demonstrate use only in some other part of the Community. However, there is no guidance as to whether acquired distinctiveness must be established in all French-speaking parts of the Community (i.e., France and Belgium), or whether acquired distinctiveness in one French-speaking Member State (e.g., France, or Belgium) would be sufficient.

(d) Bad faith as additional absolute ground for refusal

- ***Should bad faith be added to the list of absolute grounds for refusal?***

The reply should analyse the usefulness and added value of bad faith constituting also an absolute ground in the registration procedure.

We are of the opinion that bad faith should be added to the list of relative grounds for refusal, but not absolute grounds for refusal. The reason for this is that the OHIM will hardly be able to – in a time and cost efficient manner – examine and verify whether there is bad faith or not. This should be, moreover, up to the right holder who has reason to believe that a CTM has been applied for in bad faith.

(6) Use requirement (Article 15 CTMR)

- ***To what extent has the current system with regard to the user requirement, including the 5 years grace period proved to be efficient and effective to reduce the total number of trade marks protected in the Community, and, consequently, the number of conflicts which arise between them?***

The reply to this question should establish to what extent users are satisfied with the current use requirement and its application in OHIM and Court practice. In this context the study shall investigate whether there is support from users to shorten the present 5 years grace period to 3 years, as well as regards any other measure that might be adopted in this context, such as requiring proof of use at the time of renewal or an "intent to use" at an earlier point in time.

We believe that the current grace period of 5 years is appropriate, and that it should not be shortened. The current 5 years grace periods allows the right holders to carefully examine the market conditions, and position their respective trademarks.

(7) Searches (Article 39 CTMR)

(a) Optional search for national rights

- ***To what extent has the recently introduced optional search system for national rights proved to be effective and efficient for users?***

The reply to this question should establish the degree of user satisfaction with the optional search system for national rights (including price).

We believe that the optional search system for national rights proved to be more effective and efficient than the mandatory one, but raise doubt whether it is effective and efficient – and requested by the right holders - at all.

(b) Mandatory search in the CTM Register

- ***To what extent has the mandatory search in the CTM Register proved to be effective and efficient for users?***

The reply to this question should establish the degree of user satisfaction with the mandatory search in the CTM Register and consult with users whether this search should become optional as well.

We believe that the mandatory search in the CTM Register proved not effective and efficient, and recommend that this search should become optional as well.

(c) Demand for additional or different services

- ***Would users like the OHIM to offer different or additional search services?***

The reply should establish to which extent (potential) users would be interested in being provided with other or additional services in the area of searching, such as, for example, pre-filing searches, or qualified search reports which do not only list possible conflicting earlier rights but also assess the relevance of these hints.

We believe that the OHIM itself should not offer any different or additional searches, but highly appreciate the OHIM's efforts to provide the right holders with a search tool which allows (free of cost) searches in all national trademark databases of the Member States.

(8) Examination of relative grounds (Article 8 CTMR)

(a) No ex-officio examination

- ***To what extent has the examination of relative grounds only upon opposition, i.e. not ex officio, proved to be effective and efficient to deal with conflicting earlier trade mark rights?***

We believe that this system has proved to be highly effective and efficient.

(b) Introduction of "accelerated registration" procedure

- ***To what extent is there support for introducing an option for requesting the accelerated registration of a CTM application against the payment of a higher fee and with opposition occurring thereafter?***

There is full support for introducing an option for requesting the accelerated registration of a CTM application against the payment of a higher fee.

(9) Opposition procedure (Art. 42 CTMR)

(a) Pre-registration opposition system

- ***To what extent has in the users' view the providing of opposition proceedings before registration ('pre-registration opposition system') proved to be effective and efficient to best accommodate the interests of both CTM applicants and holders of earlier rights compared to a post-registration opposition system?***

We believe that providing of opposition proceedings before registration ('pre-registration opposition system') proved to be effective and efficient to best accommodate the interests of both CTM applicants and holders of earlier rights compared to a post-registration opposition system.

(b) Well known and reputation marks (Art. 8(2)(c) and Art. 8(5) CTMR)

- ***Is there a need for clarifying the difference between or the common features of well-known trade marks and those with reputation?***

We do not see a need for clarifying the difference between or the common features of well-known trade marks and those with reputation.

(c) Appropriate relative grounds

- ***To what extent have the relative grounds under Article 8(3) and (4) CTMR proved to be appropriate subject matter to be dealt with in opposition proceedings with a view to their legal and evidentiary complexity?***

We are of the opinion that it is somewhat burdensome to provide for translations of all documentation. We would appreciate if at least those documents submitted in one of the official languages of the OHIM would be accepted.

(d) Opposition period

- ***To what extent does the period of three months to file an opposition still meet the interests of users?***

It should be analysed whether the procedure should be speeded up by shortening this period to two months.

We do not see a need for shortening the opposition period. A three months period is appropriate to assess the chances of an opposition, and approach the applicant to discuss a pre-opposition settlement.

(10) Appeal procedure

- ***To what extent does the providing of an additional two month period for filing the grounds of appeal still meet the needs and interests of users?***

It should be analysed whether the procedure should be speeded up by requiring that both the notice of appeal and the statement setting of grounds are to be filed within two months after the date of notification of the decision appealed from.

We appreciate the current system where it is possible to submit the supporting grounds at a later stage. This enables the right holder to first carefully consider whether to appeal, and collect the required information and documentation, which is often very burdensome within large multi-national companies.

(11) E-Business

- ***To what extent are users satisfied with the e-Business tools offered by the OHIM and to what extent are they in favour of the OHIM performing the registration and administration of CTMs exclusively by electronic means in future?***

Apart from establishing the level of satisfaction with the e-Business tools offered the reply to the question should establish whether from a users' point of view the OHIM should admit only electronic communication in future or whether it should continue to also allow communication by traditional means such as post and fax, at least against payment of a higher fee. The related results from the EBTP survey are to be taken into account.

We are highly satisfied with the e-Business tool, and believe that the OHIM should admit only electronic communication. An exception should be made only where required, for instance, in case of colour copies or physical evidence to be submitted. IN addition, we would highly appreciate if the OHI allowed for email communication. This would not only speed up communication between the right holders and the OHIM, but also meet the needs of a paperless office.

(12) Regime on costs

- ***To what extent has the current regime on costs proved to be effective and efficient?***

The reply to this question should as well not only analyse in this context the benefits of repealing Article 81 or of amending the cost regime to provide higher claimable amounts, e.g. in cases of pointless or frivolous oppositions, but should also look into other options to assist users such as for instance the possibility of providing legal aid to SME's.

n/a.

(13) OHIM

(a) Role and mission

- ***How should the role and mission of OHIM be defined in future?***

The reply should analyse from a users' perspective the potential, appropriateness and added value of assigning additional tasks to the OHIM, such as particularly in the field of enforcement (anti-counterfeiting).

n/a.

(b) Fees and fees structure

- ***To what extent is there a need for the adjustment of fees?***

The reply to this question should analyse the current fees structure and assess whether with a view to the recent substantial reduction of accession fees there is a need for adjustment of other main fees (in particular, opposition fee, fee for the application for revocation or for a declaration of invalidity, and appeal fee), taking into account the interests of earlier right holders.

n/a.

- ***To what extent is there a need for changing and/or streamlining the fees structure?***

The reply should analyse the appropriateness of the introduction of a fee that is linked to the number of classes in the application rather than allowing the first three classes for one set fee. In this context the reply should also look at the experiences made in trade mark systems with an application fee linked to the number of classes applied for. Furthermore, the reply should establish the potential for further simplification of the fees structure in order to offer a better service to businesses.

n/a.