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World Trademark Review

European Union - The two most controversial proposals of the EU trademark study

By Adam Smith
March 10 2011

As the dust settles since **all 290 pages of the EU trademark study** landed on Europeans' desks earlier this week, discussion of the most controversial proposals is emerging. One could see national offices involved in the examination of CTM applications, while another recommends coexistence between a CTM and a "remote" national mark. To gauge reaction to these ideas, *WTR* has spoken to the study's co-authors, CTM users and national offices.

On that point of shared examination duties, the study states:

"*In the course of examining individual trademarks, **OHIM** and national offices could cooperate by putting new applications on a common Internet-based platform for a limited period of time allowing participating offices to raise objections, which would become part of the examination in the respective office."* (More detail is on page 245 of the study, which is page 256 of the pdf – the pdf page numbers don't match those in the document.)

The study adds that national offices could be remunerated for their contribution. The first reaction of users to the proposal of examination by national offices was not warm. MARQUES representative **Tove Graulund** explained that the organisation would need time to think about it, but that it felt "wrong". She says: "Are we now going to have people examining CTM applications all over the European Union? And do we do this to support the national offices that don't have enough work? If we want to train the examiners and have them interact, they need to be in the same place."

Alexander von Mühlendahl, one of the study's co-authors and original founders of the CTM system, accepted that this could be the most controversial recommendation. But he believes in its founding principle of cooperation between the national and community regimes. "Involving national offices in examination would improve consistency across the board," he told *WTR*, adding: "I personally believe this. Imagine if you establish internet-based platforms on which national offices and OHIM could pose questionable cases for, say, one day, five days or 10 days, and receive input from the other offices."

This is certainly one option that could deliver on the desire among offices for enhanced cooperation. **Annette Kur**, co-head of the research team at the Max Planck Institute for Intellectual Property and Competition Law, which produced the study, revealed to *WTR*: "Ideas like establishing common platforms, exchanging and storing relevant information and translating court decisions were frequently addressed during our talks." Those "common platforms", although

vague, certainly align with von Mühlendahl's notion. So it seems that offices have already been discussing this idea, with the study authors at least.

Of the national offices contacted by *WTR* this week, few have responded. In an email sent to *WTR*, the Hungarian office welcomed the study but said it was too early to respond fully. It is likely that most other offices share this view. *WTR* did manage to ask Jesper Kongstad, director general of the **Danish Patent and Trademark Office**, for his reaction to the idea that national offices could become involved in CTM examination. It was too early to go into detail, he said. Then he added: "We support this in principle as it is in line with good cooperation and coexistence."

Those certainly seem to be the buzzwords of the study – in addition to "competition" and "complementarity", a term usually more at **home in the physics lab** than the European trademark system. These four c-words are often used synonymously in the ongoing discussion, even when at least two of them appear to be opposed to one another. But the debate must be kept alive, which can also be said of the European trademark system. This has changed at a slower pace than the European Union, which now contains many more member states, languages and citizens than when the CTMR was drafted. "There are fault lines, which are probably more apparent today than they were 20 years ago," said von Mühlendahl. "One of these fault lines is the issue of what constitutes use of a CTM."

On this point, the study concludes that national boundaries are to be ignored when assessing use. Although this notion will be welcomed by most CTM owners, some dissent will remain, not least from national offices. It appears that the tension within a single market that comprises individual member states, some of which are far from one another, will remain for some time. In acknowledging that the community is larger than it was two decades ago, the study addresses the point specifically – on page 139 (that's page 150 of the pdf). Paragraph 3.31 states:

"The registration and use of subsequent national trade marks in a member state remotefrom the part of the community where a conflicting earlier CTM, which has been registered for a period of at least 15 years, was used should be allowed provided that the later mark was applied for in good faith. Such registrations should coexist with the earlier CTM which continues to be valid and enforceable and may also be used in that member state. It should be explicitly set out in the rule that it only applies to CTMs if only minimal use of the CTM has been made in a part of the community which is distant from the relevant member state."

Graulund raises some concern with this proposal. "The study is very cautious and very wise when it comes to the whole fuss of cluttering," she says. "I think this is where they try somehow to find a solution, but I don't think this a good solution." She adds that MARQUES will be looking at this idea in greater detail. It is no surprise that the proposal worries users: it seems to go against the concept of the single market.

Von Mühlendahl accepts that – but argues that the market reality must be considered. He told *WTR*: "For someone who has owned a CTM for many years and used it only in Greece and Cyprus to be able to oppose a new national trademark in Ireland which will be used only in Ireland seems out of balance."

And so the debate begins. It will likely coalesce around two poles: first, the conceptual argument

itself, and then definitions of the proposal's vague terms, "remote" and "distant". Von Mühlendahl admitted that the study's co-authors were careful to use general terms that "need to be filled in" by community discussion. This is all a part of the study's objective to inspire dialogue. "We have started a debate that is linked to the issue of changed circumstances in the European Union," said von Mühlendahl. "The debate will clarify the specifics."

He can rely on users for that. CTM user organisations such as INTA, MARQUES and ECTA are already rallying their members to put together detailed responses ready for hearings at the Commission, which could happen as early as May. Meanwhile, **seminars and webcasts are being planned** to allow for healthy conversation. Among all this activity and dialogue, though, there is one party notable for its silence. Despite receiving a copy of the study before it was **published this week**, OHIM has said nothing. The president has not even welcomed the study, which reflects many principles he has advocated for years. *WTR*'s direct request for comment from the organisation that is a central component in the European trademark system has so far yielded nothing.

This unfortunate silence will not stop the community discussion. The study is far too important for that – not least because of its innovative proposals. But its fundamental thesis that the existing system functions well is generally welcomed – not least by von Mühlendahl. "It shows that what we did in Eighties wasn't so bad," he quips.

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