



European Council
Council of the European Union

Trade marks reform: Presidency secures provisional agreement

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Following intensive negotiations, on 21 April 2015 the Latvian presidency reached a **provisional agreement** with European Parliament representatives on the **reform of the European trade mark system**. The agreement is subject to confirmation by the Committee of Permanent Representatives of the Council.

Trade mark reform - better for business

The reform of the current system will improve the **conditions for businesses to innovate** and to benefit from more effective trade mark **protection against counterfeits**, including fake goods in transit through the EU's territory.

Latvian Minister for Justice Dzintars Rasnačš made the following comments: "I am proud that the modernisation of the EU's trade mark framework can be politically concluded under the presidency of Latvia, building on joint efforts deployed by previous presidencies and EU institutions. Our action has been guided by the need to put the interests of final users at the core of the reform. Those companies, particularly small and medium-sized ones, have been calling for a more clear, streamlined and affordable registration system for the handling and protection of their innovative industrial assets".

A cheaper, simpler and more accessible process

The new legal framework is also aimed at encouraging innovation and economic growth by making trade mark registration systems all over the European Union **more accessible and efficient for businesses** in terms of **lower costs** and complexity, increased speed, greater predictability and legal certainty.

It will also improve cooperation between the Office for Harmonization in the Internal Market (OHIM), which is responsible for registering and administering trade marks at European Union level, and the national offices.

Under the agreement, a number of political principles will be incorporated in the new system, including:

- a **new structure** with a **reduced level of fees** to be paid by applicants and proprietors of trade marks; such a reduction is justified by the need to render the system more accessible to users and

- to balance OHIM's budget, which has been producing considerable budgetary surpluses over the years;
- the setting up of an **offsetting mechanism** to cover expenses incurred by national industrial property offices resulting from the handling of procedures involving EU trade marks. 5% of the OHIM annual revenue is foreseen for the offsetting mechanism, with the possibility of increasing this amount by another 5% in case of a substantive budgetary surplus;
- closer **cooperation between national offices and the OHIM** in projects to promote convergence of practices and tools in the field of trade marks and designs. The maximum amount of funding for cooperation projects is set at 15% of the yearly revenue of the OHIM;
- the improvement of the **governance structure** and the establishment of **sound financial procedures** in the OHIM;
- the **renaming** of the OHIM to "**European Union Intellectual Property Office**";
- the implementation of **efficient and expeditious administrative procedures** by the national offices for revocation or declaration of invalidity of trade marks;
- the **adaptation of the designation and classification of goods and services** to comply with recent EU case law, in conformity with the international classification established by the Nice agreement.

Background

The Community trade mark established a stand-alone system for the registration of unitary rights having equal effect throughout the EU. A trade mark serves to distinguish the goods and services of a company. It is the mark through which a business can attract and retain customer loyalty, and create value and growth. The mark works as an engine for innovation and has a favourable impact on employment.

The system was designed to co-exist with the national trade mark systems which continue to be necessary for those undertakings which do not want their trade marks protected at EU level.

The experience acquired since the establishment of the Community trade mark system has shown that undertakings from within the Union and from third countries have accepted the system, which has become a successful and viable complement to the protection of trade marks.

Over the years there has been a steady growth in the commercial value and number of trade marks. The OHIM, which started operations in 1996, nowadays registers around 100 000 Community trade marks and 75 000 designs annually. Its development has been accompanied by growing expectations on the part of stakeholders for more streamlined and high-quality trade mark registration systems, which are more consistent, publicly accessible and technologically up-to-date.

The establishment of the OHIM has therefore been a great success and has contributed substantially to strengthening the competitiveness of the EU. The OHIM is located in Alicante, Spain.

The Commission presented the proposals for the reform in April 2013:

- [Draft regulation on the Community trade mark](#) 
- [Draft directive to approximate the laws of the Member States relating to trade marks](#) 
- [Office for Harmonization in the Internal Market \(OHIM\) website](#) 

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