

Press Release
24 September 2008

**”How to better balance OHIM’s budget – the way forward”
The compromise solution as proposed at last week’s Joint Meeting of the Administrative Board and the Budget Committee of the OHIM**

MARQUES has studied the compromise solution and would like to make the following statements.

The proposed compromise will result in a significant reduction of the fees for registering a Community trademark (CTM). The proposal is that the combined cost of applying for and registering a CTM would be reduced from €1750 to around €1000. In future there will be one application fee and no registration fee which will reduce administration both for OHIM and applicants. MARQUES welcomes this reduction as well as the proposal to put the fees together into one.

Users have been supporting the concept of an automatic review procedure according to which the OHIM would set the future fees in consideration of financial results of past years and future budget planning and which could result in both reduction and increase of fees. However, the compromise solution proposes a regular biannual review by the Commission. While this mechanism is more bureaucratic than the original proposal, MARQUES accepts it as a compromise on the basis that the lengthy discussion and debate that have been experienced in the past can be avoided to a much greater extent.

A Cooperation Fund will be established using 50 million Euros of the OHIM surplus for use by the national offices of member states for various projects for the benefit of users. The nature and scope of these projects has yet to be decided but it will be in close consultation with users and such projects will be carefully audited. However, greater flexibility will be sought than was the case with previous cooperation funds. MARQUES would approve of the creation of a Cooperation Fund on the basis that users are directly involved in judging the projects that are approved as worthy recipients of funding.

840 MELTON ROAD
THURMASTON, LEICESTER
LE4 8BN
TEL: +44 116 264 0080
FAX: +44 116 264 0141

email: info@marques.org
Internet Home Page:
<http://www.marques.org>

The creation of a reserve fund of around 190 million euros is foreseen. While MARQUES feels that the amount is quite large, it appreciates that OHIM needs some kind of reserve in order to hedge against reverses in the future.

Finally, the compromise solution includes a proposal to distribute to the National Offices of Member States an amount equivalent to 50% of the renewal fees. It is foreseen that this money will replace the Cooperation Fund in due time and the plan is to ensure that the funds would be used for purposes closely related to protection, promotion and enforcement of trademarks and designs. Again, users will be closely consulted about this.

It is more difficult for MARQUES to accept this part of the compromise solution in view of the fact that MARQUES has consistently spoken against diversion of fees, both on the OHIM level as well as on the national level. MARQUES has conducted research that demonstrates that in a number of Member States national fees are diverted into national state budgets. MARQUES is very concerned that diversion of CTM fees to national offices will result in a corresponding decrease of the budgets of these particular offices, which will make the problem of diversion on a national level even worse.

It is highly desirable that measures are taken to promote financial independence of all National Offices, and until this is fully implemented, it is equally important that it is ensured that any funds transferred from OHIM to national offices are used to increase the abilities of an office to improve its services to users and to society.

MARQUES notes that the distribution criteria for the 50% renewal fees are to be defined in a way which would guarantee a minimum amount for each Member State. MARQUES assumes that the totality of these minimum amounts could not at any time exceed the 50%.

MARQUES would have strong expectations of any office that were to receive means as proposed by the compromise solution. Some of these expectations could also be met through applications to the Cooperation Fund and would include the following items:

- Offices will create and maintain electronic databases which are made available for free on-line searching over the Internet
- Offices will create and maintain databases for rights that have been claimed as seniorities
- Offices will make the data freely and fully available to the TMView project

840 MELTON ROAD
THURMASTON, LEICESTER
LE4 8BN
TEL: +44 116 264 0080
FAX: +44 116 264 0141

email: info@marques.org
Internet Home Page:
<http://www.marques.org>

- Offices will work to develop the EuroClass system of agreed classification terms
- Offices will have options for on-line filing with credit card payment facilities
- Offices will put in place and encourage electronic communication with users, OHIM, EPO and WIPO so as to cut back on paper, inefficiencies and duplication of work and manual updating of data
- Offices will display transparency in their accounts and will specify their income and expenses in a way that will i.a. disclose the origin of income
- Offices will demonstrate an understanding of their dual role, i.e. to register rights efficiently and with cost-effective procedures on the one hand and to promote the value of IP towards companies and society in general on the other hand
- Offices will work with users, both local and European, to improve communication and services

The remainder of the current OHIM surplus is to be used in the interests of users and the Commission is being asked to study this issue in consultation with users. MARQUES welcomes this initiative and will be pleased to participate in the study.

MARQUES has been informed that the compromise solution would bring the OHIM's budget into balance and trust that any future change in CTM or RCD fees would not spark similar procedures.

With the above statements in mind MARQUES would be willing to support the compromise solution and to work in a positive spirit with all parties involved to ensure that the proposals are implemented in an appropriate way.

Background information:

The summary of the joint meeting can be found on the MARQUES website at:

http://www.marques.org/downloads/summary_joint-meeting.pdf

and on the OHIM website at:

<http://oami.europa.eu/ows/rw/news/item803.en.do>

840 MELTON ROAD
THURMASTON, LEICESTER
LE4 8BN
TEL: +44 116 264 0080
FAX: +44 116 264 0141

email: info@marques.org
Internet Home Page:
<http://www.marques.org>